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No. 1848



Collecting his Load of Canadian Hay at Gladstone Dock, Liverpool

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

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FEEDSTUFFS IN THE UNITED KINGDOM

A SURVEY BY CANADIAN TRADE COMMISSIONERS IN THE UNITED KINGDOM

I

London, May 25, 1939.—Two years ago, a detailed report on feedstuffs in the United Kingdom market was published in the *Commercial Intelligence Journal** and later made available in pamphlet form. In the present survey that report has been completely revised, brought up-to-date, and expanded in some sections.

As noted at that time, the problem of feedstuffs for domestic animals and fowls is one which engages increasingly detailed attention of farmers and stockmen, distributors and consumers, laboratory workers and government officials. Research and common practice continuously develop fresh methods and new principles; in fact, development and improvement often occur so rapidly and in such quick succession to require early and frequent modification of, or addition to, any published work on the subject.

FEEDING PRACTICES AND TRENDS

It is quite impossible to summarize feeding practices in order to have a measure of the trends of consumption since one must consider not only such personal factors as the experiences and theories of each raiser of live stock, but also the effect of important general movements, such as fluctuations in the quantity and the price of each type of feed available.

The recipes for balanced rations are almost countless in variety, for they differ to fit the requirements of each class and condition of bird and beast. They are adjusted to suit age and physical condition, to counteract and prevent disease, and to prepare the animal for the purpose for which it is to be used. Balanced rations must contain appropriate proportions of protein, fats and oils, carbohydrates, minerals, fibre, vitamins and water. With the growing appreciation of this fact by farmers, analysis is gaining an importance which cannot be too greatly stressed, although experimental methods continued to be followed.

Both government-supported institutions and provender mills employ specialists to investigate the uses and values of feeds. The services of these specialists are frequently placed at the disposition of the owner of live stock both directly as consultants and advisers and indirectly through the distribution of leaflets and charts indicating the proportions of different classes of feeds required to make up a balanced ration for any given purpose.

* Nos. 1743-5, dated June 26, July 3, and July 10, 1937.

Some feeding practices enjoy such regional or general acceptance as to permit statements of general application. For example, in Scotland and Northern England root crops, particularly turnips and swedes, are grown extensively for feed. Where concentrates are fed, those mainly used are linseed cake and cottonseed cake, although palm kernel, peanut (ground-nut), and others are also often used freely. Among the cereals and cereal by-products, ground oats, maize,* and bran are commonly used in current feeding practice.

It would be extremely helpful to the overseas supplier if it were possible to simplify the marketing problem by laying down categorically a number of such statements; but the most that can be done in that way is to analyse the importance of each of the more commonly used feedstuffs, and to endeavour to suggest its field and prospects.

In general, therefore, the effort in this survey is to indicate the general situation, to discuss the principal feeds used, and, as it has been compiled for the use of Canadian producers and exporters, to deal in some detail only with essential points concerning those feedstuffs capable of being exported from Canada to this market and with those features of the market which may be expected to be directly of interest to the Canadian producer and exporter.

VALUE IN FEEDSTUFFS

While it is often possible to grow feeding stuffs on the farm more cheaply than concentrates of equal value can be purchased, many styles of farming do not permit the production of all requirements, and prices may be such as to render it profitable to sell farm crops and purchase manufactured and imported feedstuffs. In addition, there is an increasingly strong trend toward the purchase of a unit of feed-value rather than of a unit of feedstuff, and indeed the purchase of manurial value also. Perhaps the most important reason for this change is to be found in the fact that the natural produce immediately available to the farmer is characterized by richness in carbohydrates and inadequacy of protein, a deficiency largely compensated by the by-products of industry and made known by the efforts of government and manufacturer.

As pointed out by the Trade Commissioner in Bristol in a previous report, there is an extensive list of feedstuffs quoted daily on the various corn exchanges and the miller can select those which offer the best value for the price. It is an advantage, therefore, to know how to assess their money values. This is done either in the form of food-units or as starch equivalents. One method used in the case of food-units, is to obtain the percentage content of the carbohydrates, protein, and oil or fat of the commodities to be compared, after which the percentage of carbohydrates is added to two-and-one-half times that of the oil and protein. For example, a consignment of oats contains the following percentages: crude protein, 10·3; oil, 4·8; carbohydrates, 60. Therefore the use-value is $(10·3 + 4·8) \times 2·5 + 60$ which makes 97·75 food-units. By the same method the food-units for barley or barley meal will be: $(9·5 + 1·5) \times 2·5 + 67$ or a total of 94·5 food-units. A comparison of the quotations of these feeds with their food-units will indicate their respective money values. Another method for determining food values indicates the fat-producing capacity deduced from digestible percentages of the feeds.

* The term "maize" is used to indicate corn or Indian corn in the sense understood in Canada; "corn" in the United Kingdom is a collective term which covers wheat, barley, oats, rye and usually beans and peas, i.e. it is practically synonymous with "grain"; its use might therefore lead to misunderstanding.

The preceding remarks on the increased and expanding favour being shown for balanced rations and the publicity generally given to that aspect of feeding should not be taken to indicate any disproportionate expansion in the use of prepared feeds. It is true that, with the increase in the edible by-products of industry, a larger quantity and improved variety of material has been made available to the farmer. However, for years he has supplemented his own supplies by purchasing from his neighbours as well as abroad. The change that has come in the purchase of feeds ready-mixed is due to the saving in time and the improved accuracy thus obtained. Then, too, there has been a trend toward centralization of the preparation of such feeds in the hands of a few large commercial organizations at main seaports and other centres in place of mixing by numerous smaller country mills. In short, there has been a substantial increase in the commercial production of feedstuffs, but not so great an increase proportionate to the use of natural farm feeds as may appear at first sight.

These trends are very definitely associated with the demand for analysis. Even though the terms of analysis are in themselves often used as crude tokens of actual feeding value, and even though appearance is still of somewhat exaggerated importance, and prejudice and habit are strong, the price of a feedstuff is more and more associated with and directly dependent on its constituent feeding value as indicated by analysis. Analysis is of most value when it is consistent and guaranteed.

EXTENT OF THE MARKET

The available statistics of importations of feedstuffs are given later for the different feedstuffs in the sections devoted to them, but it is useful to point out at this introductory stage that the market as a whole may be described as tremendous. The average total annual value of materials imported purely as feedstuffs in the years 1935 to 1937 was more than £9,000,000 or well over \$45,000,000. By way of comparison, it may be noted that the average total annual value of exports of all milled products from Canada to all parts of the world during the same period was about \$26,000,000, while the average total annual value of Canadian exports of all milled products and all grain except wheat was \$41,000,000. These simple comparisons are very impressive even though they do not cover a number of imported materials, such as low-grade grain and flour for feeding and other feeds listed in the import statistics as foods.

DOMESTIC PRODUCTION

It may be observed, too, that the domestic production of feedstuffs in the United Kingdom is very extensive, amounting in value to the impressive figure of \$250,000,000 at least. Certain specific information available on the production of feedstuffs in the United Kingdom is included under each of the main headings of this report. According to the preliminary figures of the Census of Production for 1935, the total value of principal products of the grain-milling industry was £64,324,000, of which upwards of half is made up of feedstuffs; the value of products of the cattle, dog, and poultry feeds trades was £10,192,000; and the total value of production of oilseed cake and meal was £10,008,000. A conservative estimate, therefore, places the total United Kingdom production of feedstuffs at not less than £50,000,000 in 1935, a figure which has probably been exceeded since. While really an estimate, this total is sufficiently accurate to indicate the proportion of domestic production to importation and the outstanding value and importance of feedstuffs in the United Kingdom.

The following tables* also summarize the extent of the market for the principal feedstuffs as well as certain materials used partly for food and partly for feed and industrial purposes:—

Estimated Consumption of Animal Feeding-stuffs other than those Wholly Home-produced¹

(Average of the years 1934, 1935 and 1936)

Commodity	Total Consumption		Net Imports Less Exports	Home-produced	
	1,000	1,000	Per Cent of Total	1,000	Per Cent of Total
	Long Tons	Long Tons	Supplies	Long Tons	Supplies
Wheat by-products	2,290	2,090	91.3	200	8.7
Barley and barley meal	795	563	69.9	243	30.1
Oats and oat products	1,926	110	5.7	1,816	94.3
Maize and maize meal	3,215	3,215	100.0	....	....
Other cereals and cereal products ²	420	340	81.0	80	19.0
Oilseed cake and meal ³	1,519	1,519	100.0	....	....
Molasses	254	176	69.3	78	30.7
Other animal feeding-stuffs	75	75	100.0	....	....

¹ The principal feeding-stuffs wholly home-produced and not included in this table are hay, turnips, swedes and mangolds, straw, cabbages, vetches, etc., sugar beet pulp and tops, potatoes, beans and peas, and white fish meal. A considerable quantity of brewers' grains, etc., is also used but is produced partly from imported materials.

² Including rye, mixed grain and rice.

³ This is partly consumed as "straight" cake and meal and partly used, in conjunction with other materials, for manufacturing compound cake and meal.

Estimated Total Supplies of Commodities Used for Human Consumption, as Animal Feeding-stuffs, and for Industrial Purposes

(Average of the years 1934, 1935 and 1936)

Commodity	Total		Net Imports Less Exports	Home-produced	
	Consumption				
	1,000	1,000	Per Cent	1,000	Per Cent
	Long Tons	Long Tons	of Total	Long Tons	of Total
			Supplies		Supplies
Wheat	6,713	5,119	76.3	1,594	23.7
Barley	1,539	853	55.4	686	44.6
Oats	2,054	152	7.4	1,902	92.6
Maize	3,094	3,094	100.0	....	....
Peas	241	81	33.6	160	66.4
Beans	172	45	26.2	127	73.8
Molasses	623	513	82.3	100	17.7
Oilseeds	1,450	1,450	100.0	....	....

NOTE.—Certain of the figures in the above tables are provisional and may be revised as a result of further investigations which are being made by the Ministry of Agriculture and Fisheries.

LIVE STOCK POPULATION

A general indication of the potential total consumption in Great Britain of all feedstuffs, home-produced and imported, may be found in the statistics of the approximate numbers of live stock and poultry being fed in the country. Accurate calculations as to the exact consumption, either total or particular, are not feasible for obvious reasons.

Live Stock and Poultry in Great Britain

	1936	1937	1938
Cattle	7,830,000	7,908,000	7,966,200
Sheep	24,103,500	24,686,300	25,408,100
Pigs	4,034,600	3,874,300	3,804,900
Horses	1,011,600	1,004,900	994,100
Chickens	65,256,000	59,855,000	59,518,000
Ducks	2,825,000	2,498,000	2,555,000
Geese	656,000	576,600	620,600
Turkeys	829,000	804,100	928,400

* These tables are from the report of the United Kingdom food (Defence Plans) Department for 1937.

These figures for 1936, 1937, and 1938 show gradual increases in the numbers of cattle and sheep, and decreases in the numbers of pigs and horses. The fluctuations in the number of poultry do not appear to be important, although the number of chickens has definitely increased.

To the numbers given in the foregoing table for Great Britain (i.e. England, Wales, and Scotland) the following figures for Northern Ireland should be added to obtain totals for the United Kingdom:—

	1937	1938
Cattle	682,405	700,564
Sheep	560,892	551,262
Pigs	523,087	565,726
Horses	98,514	*
Poultry	6,215,949	6,038,001

* Not available.

PASTURAGE, ROOTS, AND OTHER FODDERS

The quantity of farm produce which is cropped by the animal or which finds its way directly from the field to the manger, perhaps pausing at the rick or silage tank, is naturally a substantial part of the total of all feedstuffs used and has a very direct effect upon the proportion of processed or semi-processed feedstuffs consumed. While statistics of this aspect of feedstuffs production and consumption are practically impossible of detailed compilation, there is some interest and possible value in noting the areas and quantities of certain feed crops concerning which data are available.

PASTURAGE

In 1938 there were in Great Britain 16,831,000 acres of rough grazings, of which two-thirds were in Scotland. Of a total area of 29,263,000 acres under crops and grass in Great Britain (four-fifths in England and Wales), some 17,406,000 acres, mainly in England and Wales, are under permanent grass; 4,400,000 for hay and 13,006,000 not for hay. A further 3,354,000 acres are under rotation grasses, of which 1,779,000 are not for hay. In short, there are about 31,616,000 acres in Great Britain used for grass and rough grazing, apart from meadows for hay and other feed crops.

ROOTS

Mangolds are used entirely for feeding and the acreage of mangolds in Great Britain in 1938 was 217,500. Turnips and swedes, partly for feed, covered 747,700 acres. With yields of 10 to 20 tons an acre the total production of these classes of roots is substantial. The area under sugar-beet was 335,800 acres. While this root is processed for its sugar content, there is a good recovery of beet pulp, dried, dried and molassed, and wet, which is a valuable feed both as a plain substitute for ordinary root rations and as a carbohydrate concentrate for replacing maize and other cereals in the rations of ruminants. Potatoes are used for feeding to some extent.

OTHER FODDER CROPS

Apart from beans and peas for stock feeding (discussed later), there is an appreciable area under a number of fodder crops. In 1938 cabbage for fodder kohl-rabi, rape, and kale covered 174,900 acres in Great Britain; vetches covered 54,100 acres; and alfalfa (lucerne), 31,200 acres. There are some other feed crops, such as mustard.

Hay and Straw

HAY

Six to seven million acres of land in Great Britain are devoted exclusively to hay crops. The official statistics of production in 1938, with comparative data for 1937, are given below, weights being in long tons of 2,240 pounds. The seeds hay is cut from clover, sainfoin, and grasses under rotation, and the meadow hay from permanent grass.

Production of Hay in Great Britain

	1937		1938*	
	Acres	Tons	Acres	Tons
Seeds hay	1,878,000	2,846,000	1,571,000	1,913,000
Meadow hay	4,857,000	5,252,000	4,403,000	3,389,000
Total	6,735,000	8,098,000	5,974,000	5,302,000

* Figures for 1938 are subject to revision.

CONSUMPTION

Except for supplementary supplies in their own districts, it is obvious that farmers as a rule do not require to buy the bulky foods such as hay and straw which, like roots, are grown on the farm. Under ordinary circumstances the large buyers of hay and straw are the cartage companies, collieries, breweries, and other such organizations which still use horses in some degree; the polo, racing, hunting, and other stables; and the army.

With domestic production of hay approximately 6,500,000 long tons a year, the importation of hay must obviously be purely supplementary. Proportionately, it is of minor importance. With the decreasing number of horses there is a proportionate decrease in hay consumption, and this decrease may be expected to reflect mostly on importations.

IMPORTS

In any event importations fluctuate widely. Their amount depends almost entirely on the quantity and quality of the domestic crop. The following table shows imports in 1936, 1937, and 1938, quantities being in tons of 2,240 pounds and values in pounds sterling:—

Imports of Hay in 1936, 1937, and 1938

	1936		1937		1938*	
	Tons	£	Tons	£	Tons	£
Total	44,162	168,915	28,096	126,450	32,946	135,444
Canada	38,633	146,461	24,024	109,153	29,607	121,589
Norway	3,968	16,794	920	4,382	2,479	10,782
Ireland (Eire)	889	2,789	859	2,727	584	1,707
Other countries	672	2,871	2,293	10,188	276	1,366

* Preliminary statistics.

REQUIREMENTS

In general, the requirements are for a hard grass, cut in its prime, well harvested, and of good fresh colour. Soft grass is considered as meadow grass, which is practically always available locally. Hay of over-ripe growth, which falls to pieces on the touch, finds no market; nor does grass which has obviously passed its prime and begun to lose its strength before being cut. Stain of any kind is objected to strongly.

The London buyer's ideal hay is real rye grass with a proportion (usually 25 to 30 per cent) of clover, both cut at their prime, sweet, fragrant, and of good colour. As rye grass is not usually received from Canada, timothy is the grass

desired in Canadian shipments. Although the Glasgow market refuses to take clover, the London market likes it and will accept it up to 25 or 30 per cent or even 50 per cent, with the balance of good grasses. The inclusion of daisies, sedges, and other weed growths is always a cause of dissatisfaction and should be rigidly avoided.

The Trade Commissioner in Glasgow comments that in the Scottish market the demand is for a clean, strong timothy, Canadian hay containing clover not being favoured. From time to time there have been unusually heavy shipments of Canadian hay to the Glasgow market, some on consignment, leading importers and wholesalers in Glasgow to believe that Canadian hay shippers have an exaggerated idea of the consuming capacity of this market for hay from the Dominion. There are few seasons in which the British hay crop is not sufficient, on the whole, to render heavy imports an uneconomic venture. Unofficial reports of a heavy demand should be received with caution unless confirmed or otherwise substantiated by up-to-date information from the Canadian Trade Commissioner Service in Great Britain.

Whatever the yield and grade of the Scottish crop, the superior quality of the best Canadian timothy creates a steady demand for it in a normal market at about \$1.80 to \$2.50 a ton more than can be obtained for the best Scottish hay. Every hay buyer in the Glasgow area is informed of the arrival of shipments at the Glasgow docks and knows how much there is available. Consequently the importer is compelled to sell at gradually decreasing prices if the quantity is greater than can be readily absorbed.

When the quality of Canadian hay is inferior to the usual standard received in Scotland, as it sometimes is, the price is reduced greatly out of proportion to the difference in quality, since a slight reduction in quality puts it in the same class as the best Scottish hay, of which there is usually an abundance. While the exporter cannot control other conditions, he can control within limits the class of hay shipped, and it is only by doing so that he may expect the continuance of the trade. With a further drop in the number of horses employed in transport, the home crop will be more than ever adequate to meet all ordinary requirements. The outstanding qualities of Canadian shipments alone justify any difference in price.

The large importers in Scotland buy from Canada in considerable quantities and sell to the wholesale merchants. Sometimes Canadian shippers endeavour to sell direct to wholesalers or even to consumers. While there is no hard and fast line between the importers and wholesalers, speaking generally it is a mistake for Canadian firms to try to sell to more than one class of buyer. They should endeavour to limit their sales in each case to one large firm of importers.

WAR OFFICE REQUIREMENTS IN THE UNITED KINGDOM

The War Office still purchases fair quantities of hay, although with increased mechanization of the army the tonnage is much lower than a few years ago. In 1933-34 the army employed 16,408 horses; in 1938-39 the number had dropped to 5,205. It may remain at about 5,000. The War Office gives every preference to home-grown supplies, but it is open to tenderers in the United Kingdom, should they have difficulty in meeting this requirement, to make offer of supplies from Dominion sources. If Canadian hay is offered it should conform to the standard of group I, timothy and clover hay, grades 1 and 2, as laid down in the Hay and Straw Inspection Act, 1933 (Canada). Timothy containing more than 10 per cent of other grasses or of clover will not be accepted. The hay should be well saved, good, strong, sweet, dry, and clean.

Imported hay will be purchased by the War Office only through British contractors, who shall, if required, produce the broker's contract note or notes showing the country of origin, both at the time of tendering and throughout the currency of the contract.

GRADING OF HAY

It is doubtful if there is any one factor in the hay import trade which has caused more complaints and demands for allowances than the vexed question of grading. All natural products vary from year to year in the same district and from district to district in the same year. Due to this natural and only partly controllable factor there is necessary great care on the part of the grower, careful sorting and classification on the part of the broker or exporter, and some give and take on the part of the importer. Individual likes and dislikes, individual experiences and the clientele to which each importer caters, all quite naturally influence his judgment; but, by and large, his only interest is to buy good hay. The duty, therefore, falls on the exporter to ascertain as accurately as possible just what is required.

TRIAL SHIPMENTS

Merely by making a trial shipment the exporter gives the implied assurance that he has more of the *same* class of hay from the *same* district. Exporters should not use odd parcels for sample or trial shipments. One of the most common complaints by importers is that, after purchasing, say 25 long tons, which is found entirely satisfactory, they cable for 25 or 50 long tons of the same and all too frequently the subsequent shipment is entirely different from that on which the repeat order was based. The inclusion of a few bales of poorer or even different hay is most unsatisfactory.

TRADE DESCRIPTIONS

Probably the most misunderstood term in the trade is "f.a.q." Nominally these three letters indicate "fair average quality." It is to be noted that interpretation of the term may involve the kind or mixture as well as quality of hay, as may be judged from the remarks above on requirements. For instance, hay accepted as "f.a.q." at Glasgow might not be so accepted at London, and vice versa. Until both parties to a contract know exactly what each considers "fair average quality," there are bound to be complaints and counter complaints. The trade itself tacitly recognizes this fact by the use of qualifying adjectives in such expressions as "good f.a.q." As yet no definition of the term "f.a.q." has been forthcoming which could be counted acceptable to the importers as a whole. It is quite understandable, therefore, that Canadian exporters should not infrequently make shipments which on arrival are pronounced "poor f.a.q."

No order should be accepted on the basis of "f.a.q." hay or "No. 1" hay or "good quality" hay, nor any such general term, unless exporter and importer are both in complete agreement and understanding as to what is meant. The Canadian exporter should request from his customer a description or specification of what is required, indicating accurately the quality and percentage range of timothy, of clover, and of other grasses, together with the tolerance of extraneous material permissible.

USE OF CANADIAN GRADING

United Kingdom importers are aware of the Canadian Hay and Straw Inspection Act of 1933, but cannot be expected to be fully cognizant of all its details. Nevertheless the act provides a basis on which Canadian exporters can work to advantage. It is strongly recommended that Canadian exporters describe their hay to United Kingdom clients as good "f.a.q. timothy" or "f.a.q. clover" or "f.a.q. timothy and clover," etc., and state that it is of such and such Canadian grade or grades (Government grading certificates being

available at the request and for the account of the buyer) and consequently contains certain specified percentages of clover, timothy, and other grasses and foreign material. The exporter will find it useful also to advise the importer of the district in which the hay was cut.

With such information it will be possible for the client in the United Kingdom to specify much more accurately the type of hay he requires. He will be able to name the grading in terms lawfully defined in Canada, and will be able to indicate the district or districts from which supply should preferably be arranged. This arrangement could readily be developed over the period of a year or two. While not in any way perfect, it would very appreciably minimize difficulties, dissatisfaction, and loss.

NORTHERN IRELAND

While the preceding remarks apply in the main to the small market in Northern Ireland, it is well to note that in general the requirements in that territory are similar to those in Glasgow, the demand being mainly for sound timothy of good colour and well baled. Imports into Northern Ireland average about 1,200 long tons annually, although in 1936 the quantity reached nearly 3,000 long tons. About half the total comes from Canada. Production in Northern Ireland averages about 812,000 long tons a year.

STRAW

Domestic production of wheat, barley and oat straw in the United Kingdom is extensive, amounting to a total of about 4,000,000 long tons. Imports seldom amount to more than a few hundred tons valued at a few hundred pounds. Exceptional circumstances alone warrant purchases abroad.

Feeding Meals

ALFALFA MEAL

Alfalfa meal is officially defined in the United Kingdom thus: "Alfalfa (lucerne), as grown, dried, and ground, to which no other matter has been added."

While one of the smaller individual items and very small in contrast to the aggregate of all feedstuffs the importation of alfalfa meal is, nevertheless, of considerable importance and gives promise of increasing.

USES

Alfalfa meal is used as a constituent in the compounding of cattle and poultry feeds, sometimes as mashes and sometimes in cubes. It is used also for feeding hogs. The original purpose in using alfalfa meal was to supply a "bit of greenstuff." Consequently it has been sold mainly—and in many cases entirely—on the basis of colour. That purpose continues to lie behind its use in many parts of the United Kingdom, and accounts for the sale of meal of rather low feeding value but of bright green colour.

QUALITY

There are no grades established by law in the United Kingdom for alfalfa meal but there is a general acceptance of protein and fibre content as reliable guides to the market value as well as the feeding value of the meal. The most common sun-dried meal is probably the stem meal which shows a minimum of 10 per cent protein and a maximum of 38 per cent fibre. This meal is one of low quality but it is popular because of its low price, especially when the colour

is good. The sun-dried meal, which is best for most users, gives a minimum of 15 to 18 per cent protein and a maximum of 25 per cent fibre, and is of bright green colour, dark rather than light. This description represents the standard of sun-dried which should be aimed at for ordinary purposes.

The milling of alfalfa meal must be fine and uniform. Leaf stalk must not be noticeable; in other words, it should not be over $\frac{1}{16}$ inch long. Among other uses, alfalfa meal is mixed in the feeds for young chickens. For this reason it should be finely and evenly ground. Stem, being largely fibre, has little value, and as the efficacy of alfalfa meal is derived from its leaves, the very minimum of fibrous stem and other foreign matter should be allowed to be ground into the meal.

Most buyers base their first impression as to the quality of alfalfa meal on its colour, the tendency being to associate high carotene and protein content with a rich chlorophyll green. If alfalfa meal is dull olive-green or brownish and shows a preponderance of foreign material, such as fibre, etc., no contradictory statement by means of analysis will sell it, except at a price which the market associates with an inferior article.

The bulk of alfalfa meal is sold on sample, quality being appraised by colour, uniformity of fineness and absence of foreign material, as judged by the senses of sight, smell and touch. Care has to be exercised that uniformity in quality should obtain as regards one shipment with another.

COMPETITION

No statistics of imports of alfalfa meal into the United Kingdom are maintained, nor is it possible to obtain statistics of exports to this market from the producing countries; but the principal overseas sources are California and Canada, with occasional lots from South Africa. Argentina formerly supplied quantities of a very cheap meal, but due to regulations concerning foot-and-mouth disease, shipments from that country were discontinued some years ago. Similarly, European meal of good quality is available for shipment here, but due to health regulations it cannot enter from some countries, at least, although there have been some shipments from Scandinavia.

Californian Meal.—The meal shipped from California is sun-dried, of excellent and unchanging quality, and is sold on a definite and guaranteed certificate of analysis. A printed label showing the analysis is attached to each bag and forms a strong selling point. The colour of the Californian meal is also a good bright green. The import duty of 10 per cent on Californian meal prevents it becoming an overwhelming factor in the market. Actually there is no competition between the better grades of Californian meal and the usual grades of sun-dried Canadian meal, because the former commands a premium of as much as £2 a ton over the Canadian.

There are established grades of Californian meal, viz., stem meal, whole meal (leaf and stem), and leaf meal. The stem meal, with low protein at 10 per cent and high fibre at 38 to 40 per cent, is the cheapest, finding a ready sale because of its low price and particularly because of its bright green colour and uniform fineness of grinding.

Another grade of Californian meal gives a minimum of 14 per cent protein and a maximum of 33 per cent fibre, while still another shows a minimum of 16 per cent protein and a maximum of 27 per cent fibre. Moderate quantities of these two grades are imported. There is also a fancy quality of leaf meal with a minimum of 20 per cent protein and a maximum of 18 per cent fibre, but it is too expensive for the ordinary trade in sun-dried meal.

South African Meal.—The South African meal is also graded into No. 1 and No. 2. Each grade must carry a certificate of quality obtained by inspection at the port of shipment and meal below standard may not be shipped. South African meal is not at present a factor in the market, but the meal that has been supplied meets with favour.

Dried Grass Meal.—Reports on the development of grass drying and the use of dried grass meal have appeared from time to time in the *Commercial Intelligence Journal*.* At this time little need be said except that the development is confined to gentlemen farmers and private interests operating on aerodromes. The product is generally excellent and bids fair to supply from domestic sources increasing quantities of a useful and valuable feed. The quantities of such meal required, however, will probably long exceed the domestic quantities available and it is not considered that the more expensive artificially dried alfalfa and grass meals will displace sun-dried alfalfa meal for some years. The latter, which is available at little more than half the price of the other, therefore, will continue to find a large demand in order to satisfy the requirements of those desiring a less expensive meal; while artificially dried alfalfa meal will need to be imported to supplement domestic production of dried grass and alfalfa meal. On the other hand it is to be expected that improved methods of production and more extended propaganda will increase the quantity of artificially dried meal available as well as the demand and may possibly bring a narrowing of price difference. The artificially dried meal may easily take the cream of the market within a few years.

ANALYSIS

With the increase of scientific feeding, the growing demand for analysis of feedstuffs, and more governmental regulations, there have become accepted the requirements of protein and fibre content. United Kingdom law requires that, for domestic sales, the amount of fibre in alfalfa (lucerne) meal (and also in clover meal) must be declared.

It is desirable to supply a definite analysis of protein and fibre content with each shipment. In any event, the shipper should be able to supply the buyer with details of analysis in a separate document. The adoption of a printed tag, showing minimum protein and maximum fibre content, for attachment to the bags is a valuable aid to steady business.

As a part of the development of artificially dried grass and alfalfa meals, there is a strengthening demand for analysis showing chlorophyll, i.e. carotene (Vitamin A) content. The usual requirement is a minimum of 240 to 250 milligrams of carotene per kilogram and/or 2 to 5 per cent of chlorophyll. This requirement is as yet evident only among a limited number of compounders of feed meal. It is seldom applicable to the feed merchant who mixes small quantities for sale in his shop and to whom the main requirement is still a good green colour, a finely ground meal, and a reasonable relationship between protein content and fibre content.

ANALYSIS FOR CAROTENE

The problem of estimating carotene content is by no means simple; nor has it as yet been clearly defined. At present there are a number of procedures used in the United Kingdom, such as the Guilbert method, the Pyke method and others. It would appear that no one of these is favoured by all analysts. Irregularity of results is found not only among the various methods but even when the same method is used by different operators. An effort is being made among a number of interested analysts in the United Kingdom, working in co-operation with the British Grass Driers' Association, to develop a standard method. While no final decision has yet been reached nor any paper issued on their investigations, a decision has been reached to use a procedure referred to as Method B during the current year. At the end of the year the whole problem will be re-examined with a view to ascertaining the suitability of this method. If it is found satisfactory, with or without changes suggested by the

* See *Commercial Intelligence Journal* Nos. 1692 (July 4, 1936), 1744 (July 3, 1937) and 1765 (November 27, 1937).

year's experience, this method will be adopted as the standard. (A description of Method B is on file at the Department of Trade and Commerce, Ottawa.)

There is every reason to believe that carotene deteriorates when exposed to air or heat and, consequently, that it suffers from long storage and possibly from compression heat when stored or stowed under unfavourable conditions. Shipment of the meal, therefore, should be made as soon as possible after it has been ground and cooled. Experience indicates also that plain jute bags are undesirable because they are not sufficiently airtight and sunproof. It appears fairly definite that paper-lined jute bags or three-ply paper bags will have to be used for meal carrying a guaranteed content of carotene.

TRADE PRACTICES

Alfalfa meal is imported by brokers who sell to compounders and merchants. The latter seldom desire to buy direct from abroad. The most satisfactory arrangement for the exporter is to appoint a broker to handle his meal exclusively in the United Kingdom.

Packing is preferably in bags of 112 pounds gross. It is important that all the bags of a shipment weigh exactly the same. No "catch" weights are permitted, as individual bags are shipped to customers and charged on the basis of the supposed weight. Orders may be for a season or by other contract. Shipments to the United Kingdom are usually preferred in units of 25 long tons (of 2,240 pounds), such as 25, 50, 75 or 100 tons; but in Northern Ireland they are usually in lots of 5 to 10 tons.

CANADIAN MEAL

Canadian alfalfa meal has sold in fair quantities in the United Kingdom and has established a good place for itself in spite of a number of vicissitudes. With a few exceptions, however, Canadian producers of sun-dried alfalfa meal have not been able to provide a product as acceptable as the Californian meal. Canada's export material has been mainly whole meal. This has been of fairly good feeding value, but there has been a distinct lack of uniformity in the grinding and the colour, too frequently, is poor. It may not always be possible to obtain in the Canadian meal the brilliant colouring of the sun-dried Californian meal, but there should be no reason for bad grinding. With fine milling and reasonable protein and fibre content, the lack of colour would be greatly offset. As a matter of fact, due to poor—and apparently careless—selection of alfalfa, the value of Canadian sun-dried meal has deteriorated recently and current and future shipments should be of the best possible quality in order to rebuild and maintain the reputation of Canadian meal.

There is an excellent opportunity available for the Canadian producer who can supply the meal required and guarantee its protein, fibre and colour, and who is prepared to undertake the routine of export trade and to sell through the accepted channels of trade in the United Kingdom.

[The second of four instalments of this report will appear in the next issue.]

INDUSTRIAL CONDITIONS IN THE SOUTH MIDLANDS

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Bristol, June 6, 1939.—During the past year the international situation has imposed a burden of uncertainty upon trade, but with the advent of spring there has emerged a sound undertone of confidence which in no small measure accounts for the present industrial activity in the South Midlands. The increased circulation of money from rearmament contracts is assisting trade, but the feeling of security arising from the strides which have been made in national defence has also been a contributing factor.

LABOUR CONDITIONS

Birmingham has approximately 21,000 unemployed, which is less than 5 per cent of the state-insured population, that is of those earning wages of £250 or less per annum. This is less than 50 per cent of the number recorded a year ago, when the unemployed totalled 51,000. Estimates for other centres are not available, but the labour situation in the South Midlands may be gauged from conditions in Birmingham and from the most recent figures for the United Kingdom, which have just been published. On May 15 the number of insured persons between the ages of 16 and 64 employed in Great Britain was 12,667,000, or 588,000 more than on April 17 this year and 440,000 more than on May 16, 1938. On May 15 there were registered in Great Britain, 1,234,000 wholly unemployed, 198,617 temporarily stopped, and 59,664 normally casually employed—a total of 1,492,282, or 152,112 less than on April 17 and 286,523 less than on May 16, 1938. Every division of industry as tabulated by the Ministry of Labour showed a decrease of unemployment.

Industries which have employed more workmen include those engaged in aircraft manufacture, shipbuilding and repairing, engineering; the production of light and heavy manufactures of iron and steel, motor vehicles and cycles, and non-ferrous metal goods; and railway and shipping services, building, and public works.

While several industries report an improvement in conditions, this position applies especially to iron and steel production and the manufactures thereof, which are allied to engineering trades. In the production of aeroplanes and motor vehicles and in the allied or subsidiary industries which supply parts or accessories, it is necessary in many cases to employ double shifts. The situation has improved also for those industries engaged in the manufacture of clothing and similar military equipment under contract with the Government. Other trades are benefiting from the additional wages earned and expended by workers for better food and clothing, radios, bicycles, and for other purposes.

MOTOR CARS AND CYCLES

As a result of increased taxation on motor vehicles, which is levied on the basis of horse-power, some manufacturers are concentrating more on the output of smaller cars. The strong demand for this class of automobile has placed a heavy strain upon production, and business generally in this line is sound. There is yet little indication as to what effect the increased levy will have on motor car and petrol sales. Prices of second-hand cars in the high- and medium-power categories have dropped considerably.

A manufacturer of aircraft engines is erecting a factory in Coventry, which is expected to begin operations early in 1940. This brings the number of aeroplane firms in this city to four. As in other localities, there is a shortage of skilled engineering workers. It is estimated officially that there are some 3,000 persons unemployed in Coventry, but these are not classed as artisans, and this figure does not reflect an unhealthy situation, as it results from a continuous influx of unskilled workers who are attracted to Coventry by reports of its industrial activities.

LEICESTERSHIRE

Conditions in the hosiery trade, which includes all knitwear, are not as favourable as in the metal industries, although warm weather has brought a fair demand for lightweight textures. Advance orders for summer wearing apparel, including boots and shoes, for the seaside and for sport are brisk. The light footwear trade has picked up. Orders for army boots have greatly assisted the manufacturers of heavy footwear which in normal times is used principally by millworkers and outside labour.

As in the more industrialized and active centre of Birmingham, the money paid out in this county in wages by the engineering, clothing, and other firms engaged in manufacturing staple lines is expended for household utensils, furnishings, personal wearing apparel, and purposes of amusement.

GLOUCESTERSHIRE

Production of railway rolling stock is one of the largest industries in Gloucestershire. Full-time work has been maintained by all branches, due to the continuous flow of orders from various parts of the country and from overseas, especially Africa. A consignment of boxed cars has been despatched to the Malay States. In case of national emergency the industry is in a position to switch to the manufacture of munitions. There are many other industries in this area, nearly all of which report full-time operations.

Several new factories are projected for Cheltenham and Stonehouse. One of these is being constructed by a firm of instrument manufacturers, and another by a manufacturer of ball and roller bearings. The rearmament scheme is indirectly giving increased employment to building contractors. Millwrights are finding it difficult to make deliveries on time, while light and heavy engineering works have well-filled order books. Jam factories are working full time on the manufacture of preserves from domestic and imported fruits.

FURNITURE TRADE REQUIREMENTS IN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, May 27, 1939.—According to the latest Census of Production Report (1936) the gross output of the 170 firms engaged in the furniture trade of Ireland was valued at £758,858, production having nearly doubled in the last ten years. In 1936 there were 1,990 male and 583 female wage earners and 308 male and 84 female salaried employees in the industry, receiving £260,087 and £42,078 in wages and salaries respectively. The industry is well protected by the tariff and, except in the finer qualities, still coming from the United Kingdom, controls the home market effectively. Local manufacturers have, however, to import parts, raw materials, and findings. There is no demand for furniture k.d.s. because the labour unions are opposed to its being assembled locally. Furniture manufacturers have the privilege of obtaining a free-of-duty licence to import many parts and fittings which are needed but not made in Ireland.

When imported into Ireland, new furniture and similar articles made wholly or mainly of wood must be marked both in the Gaelic and English languages, and in a prominent place with the country of manufacture. In the case of Canada the necessary Gaelic words are "Canada tir a dheanta" (made in Canada).

IMPORTS OF FURNITURE

The latest available statistics covering imports of furniture into Ireland are for the year 1937 as follows:—

Wooden bedsteads, complete—	
Great Britain	£ 3,044
New furniture (not church or school) of hardwood—	
Great Britain	£25,072
Czecho-Slovakia	2,422
Poland	1,515
Finland	620
Other countries	841
Total	£30,470

Imports of Furniture into Ireland—Concluded

Furniture (other sorts)—	
Great Britain	£ 4,210
Other countries	513
Total	£ 4,723
Furniture (complete parts)—	
Great Britain	£ 1,019
Other countries	306
Total	£ 1,325
Furniture and parts (secondhand)—	
Great Britain	£17,758
Other countries	648
Total	£18,406
Window blinds and parts—	
Great Britain	£ 113
Canada	54
Other countries	64
Total	£ 231

Statistics of metallic furniture (mostly office furniture, and a few bedsteads) and many metal or wire parts, are not shown because the items are not classified and the figures would therefore be inaccurate.

STYLES AND TENDENCIES

Most of the furniture factories in Ireland are in and around Dublin, although all over the country small factories using hand labour turn out cheap bedroom and softwood kitchen furniture. Machinery is, however, widely used, and hardwood and plywood is extensively consumed in furniture making in the cities. The modern taste seems to run to plain styles with smooth surfaces, requiring little cleaning and harbouring no dust or dirt. Modern adaptations of the styles of the old craftsmen, Chippendale, Sheraton, Hepplewhite, and Queen Anne designs are popular, but large and heavy pieces of last century's vogue are now quite out of style. Furniture in suites sells well and, single pieces, except easy chairs, corner cupboards, card and occasional tables and the like, are less in demand. Walnut and oak, because of their bright attractive figured appearance, are in growing favour for fine finished furniture.

DINING-ROOM FURNITURE

The dining-room suite of the average middle-class Irish home to-day consists of a sideboard, table and chairs. The sideboard is usually from 4 to 6 feet long, in various styles of modern design and mostly of oak or mahogany, with the whole suite in keeping. Oak is the favourite wood, followed by mahogany. The former comes mostly from the United States, while the better qualities of the latter come from Honduras and the remainder from Africa. The wood is bought through brokers in the United Kingdom. Figured oak prices are roughly 7s. 6d. per cubic foot ex Liverpool, and for prime plain oak 4s. 9d. For cheaper grades, e.g. common and select plain oak, prices range around 3s. 3d. per cubic foot. The handles, locks and hinges are usually of United Kingdom origin. American oak is usually delivered direct from New Orleans, but mahogany is mostly ex stocks held in Liverpool or London.

The table usually matches the sideboard of oak or mahogany, being 5 feet by 3 feet or 6 feet by 3 feet by 2 feet 6 inches high and usually 1 inch thick, pannelled with veneered oak plywood. The draw-leaf type is in general demand,

as it is more suitable to the smaller type of rooms in modern houses. The chairs are usually sold in a set of six, one (the carving chair) having arms and the others plain. A tea wagon mounted on rubber-tired wheels and a carving or side table, often with glass top, are usually extras in the dining room.

BEDROOM FURNITURE

Styles in bedroom furniture in Ireland have not advanced as much as in other parts of the world, and the washstand with basin and ewer is still a good seller. Finer furniture and attractive woods and panels are in good demand.

An average suite of bedroom furniture consists of a wardrobe, dressing table, chest of drawers, a bed pedestal, and one or two small chairs. The bedstead is usually of wood, few metal beds now being sold, to match the other furniture. It is of the small, low, plain type, of standard size in 6-inch widths between 2 feet 6 inches and 3 feet 6 inches single, and 4 feet to 4 feet 6 inches double, all 6 feet 6 inches long. The beds are sometimes solid, but mostly of $\frac{3}{4}$ -inch birch plywood from Finland, veneered according to taste with walnut, mahogany, or oak. The veneers used come mostly from Italy, France, and England, usually 8-millimetre, in various sizes from 2 feet to 20 feet square, the high-class wood being supplied in the small sizes. Butts and burrs (veneers) are expensive, as much as 2s. 6d. per square foot being charged for a nice walnut, although a normal price would be in the neighbourhood of 12s. 6d. per 100 feet c.i.f. Dublin.

Casters are seldom used now, being displaced by metal "domes of silence," usually supplied from the United Kingdom and costing about 6s. per gross sets of $1\frac{1}{2}$ -inch size. The iron sides and angles are all made locally. There is a small demand for embossed carvings, usually supplied from the United Kingdom in varying styles and made of hazel, pine, or oak.

WARDROBES

The fitted wardrobe of shelves and hanging accommodation is usually of mahogany, walnut, or oak, veneered according to taste. They vary in size from 4 to 6 feet in width and have from one to three doors. If the latter the centre door usually has a mirror on the inside. Small single wardrobes are however in greatest demand. They are often adorned with small embossed carvings of wood similar or suited to the body. Tubular robe rails of $\frac{5}{8}$ -inch annealed steel with accompanying sockets and sliding hooks are chiefly imported from Germany. The handles, hinges, and locks, come from Birmingham, and are best liked when they are simple, trouble having frequently resulted from using complicated locks. The mirrors both for wardrobes and for table or wall use usually come from Belgium and are of $\frac{1}{4}$ -inch plate glass, polished all round, in a large variety of styles and sizes, chiefly 44 inches by 13 inches for wardrobes, and are extremely low priced, a 30-inch circle with quarter-inch bevel, for example, costing only 13s. 9d. c.i.f. Dublin. Liverpool prices are usually about 50 per cent higher than Belgian.

DRESSING TABLES

The dressing table always harmonizes with the wardrobe. It is of varied and striking designs and is fitted with large mirrors, sometimes single and sometimes in 2 and 3 sections. The latter type has metal movements and clips, also reflex hinges of metal with glass clips, all coming from the United Kingdom. They are seldom fitted with locks, but usually with handles.

CHAIRS

Chairs are usually of oak or mahogany made with loose seat, and upholstered in rexine or hide for the better classes. The rexine comes from the United Kingdom mostly, prices ranging from 2s. 9d. to 4s. 9d. per yard c.i.f. Dublin.

The hide (usually calf or cow) also comes from England at prices ranging from 7½d. to 9d. per square foot. Bedroom chairs are seldom castered, but often have domes attached.

LIVING-ROOM SUITES

The average living-room suite consists of a settee and two easy chairs, with birch frames, upholstered with tapestry, a cretonne marquette, damask, or one of many similar fabrics. The birch comes usually from Newfoundland and Quebec, and is purchased from Liverpool or London brokers.

Merchantable birch quotations from St. John's are around 2s. 4d. per square foot, and from Quebec about 3s. delivered. The stuffing for upholstered chairs, etc., is practically all imported and consists of hair, fibre, wool waste, and flock. The cocoa fibre comes from Ceylon. It costs £10 to £12 per ton through brokers. Black fibre comes from Algeria and is bought through local agents at from £12 to £18 per ton c.i.f. Dublin. Hair is bought at 9½d. per pound from the Cork factory, whence most of it comes. Other common living-room furniture includes a china cabinet (glass fronted), a bureau, bookcase, and a writing table, usually in mahogany or oak.

SCHOOL FURNITURE

Scholars' desks, like most of the school furniture sold in Ireland, are made to approved designs of the Board of Works. A usual type is a double desk 3 feet 4 inches long and 2 feet 4 inches high at the back. It is made of American prime oak, with steel tubular framing. A recent accepted tender price was around £3 10s. each. The fittings are usually brass—inkwells, hinges, dust extractors (fitted to the bottom of the desk)—but the tubular standards are made locally. Standard type teachers' desks, in oak, cost about £4 15s. Sideboard presses run about £7 10s. according to design. Blackboards of black linoleum laid on ½-inch ply wood of 6 feet by 3 feet cost about £1 5s. each.

OFFICE FURNITURE

Filing cabinets are nearly all imported and are made mostly of steel. Typists' desks in oak cost from £2 15s. to £4 15s. each. Swivel chairs sell at £5 5s. each, the swivels being mostly of United Kingdom manufacture and costing 38s. c.i.f. Dublin. Presses are usually 6 feet by 4 feet by 15 inches deep in solid oak and are fitted with 5 shelves; they cost £7 10s. Cheaper presses are of pitch pine; if fitted with glazed doors the cost is 30s. extra.

Boardroom tables 8 feet by 3 feet 6 inches to 12 feet by 4 feet 6 inches, usually of oak, cost from £6 10s. up. Chairs run from £1 to £2 in various woods, cost largely depending on upholstery. Pedestal desks, usually 5 feet 6 inches by 2 feet 9 inches, with knee hole and drawers on each side, run from £10 10s. up to £50. The Board of Works are big buyers of office furniture from specification and tender.

KITCHEN FURNITURE

Furniture for the kitchen such as dressers, tables, and chairs, is usually made from European pine and painted. If the furniture is to be unpainted, spruce, a whiter wood, is used, as it washes well.

OTHER TYPES

There is some demand for 1-inch E.B. casters, also N.P. casters with bakelite wheels. Table tops in porcelain or stainless steel are in small demand, but the prices must be low to ensure sales. All the upholstery and mattress springs used in Ireland are made locally, because of the high protective duty (25 per cent) on imported made-up springs. The basic price being paid at present for English 8-gauge spring wire is 19s. 3d. per cwt. c.i.f. Dublin. This wire, of which there is a large consumption in Dublin, is admitted duty free.

CANNED SALMON MARKET IN SOUTH AFRICA

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, May 20, 1939.—Imports of canned salmon into the Union of South Africa fell during 1938 by 18 per cent or by 1,158,375 pounds as compared with 1937.

Canada was again the chief source of supply, Japan and Russia being next in order. Imports from the Dominion formed 63 per cent of the total quantity imported but they were less by 16 per cent in quantity and 6 per cent in value than in 1937. This decline, however, compares with declines of 25 per cent in quantity and 23 per cent in value for imports from Russia and of 22 per cent in quantity and 21 per cent in value for those from Japan.

The following tables shows quantities and values of imports of canned salmon into South Africa by supplying countries in 1937 and 1938:—

	1937		1938	
	Lbs.	£	Lbs.	£
Total..	6,294,337	137,863	5,135,962	117,920
United Kingdom	4,274	270	4,157	246
Canada	3,860,258	63,267	3,237,306	59,437
Russia	724,321	42,227	542,498	32,410
Japan..	1,433,272	21,466	1,117,278	17,205
United States	271,420	10,549	208,518	7,574
Other countries	792	84	26,205	1,048

Practically all of the better grades of salmon marketed in South Africa are sold under labels of United Kingdom firms. Canada's share of the market is confined largely to chums, with the minor portion pinks. Most of the red salmon sold is of Japanese or Russian origin.

Consumers in general are not familiar with the different grades of salmon, and simply ask for a red salmon or for one at as low a price as possible. In the latter case they receive a Canadian chum salmon. As a result the buying public is coming to look upon Canadian salmon as an inferior article. It is to be regretted that no Canadian packer makes a serious effort, with an attractive label, to capture some of the red salmon trade. Any such effort, however, would have to be accompanied by advertising support. The brands enjoying the bulk of the trade at the present time do so because of the extensive assistance rendered to the agents and distributors. For instance, imports from the United States consist largely of red salmon under well-known brands.

Canadian salmon exporters are again reminded of the conditions surrounding the granting of a tolerance in weight on Canadian salmon by the South African customs authorities. This was dealt with at some length in *Commercial Intelligence Journal* No. 1805: September 3, 1938.

TRADE COMMISSIONERS ON TOUR

Mr. P. V. McLane, Canadian Trade Commissioner at Kobe, Japan, and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories.

Mr. McLane will conclude his tour of Eastern Canada with a visit to Windsor and Walkerville on July 3, and will be in Vancouver from September 5 to 15.

Mr. Strong will complete his tour with a visit to Vancouver from July 3 to 9 and to Victoria on July 10.

SUMMARY OF THE TRADE OF CANADA: MONTH, FIVE MONTHS, AND TWELVE MONTHS ENDING MAY, 1939

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of May, 1939				Five Months ending May, 1939				Twelve Months ending May, 1939			
	Total Imports	From United Kingdom	From United States	Total Exports	Total Imports	From United Kingdom	From United States	Total Exports	Total Imports	From United Kingdom	From United States	
<i>Imports for consumption</i>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Agricultural and Vegetable Products.....	14,473,802	1,371,183	4,643,446	44,909,790	5,415,318	17,153,319	120,382,548	15,241,669	42,428,485		
	Animals and Animal Products.....	3,154,172	505,937	1,526,805	11,643,719	1,706,209	5,706,769	25,271,329	4,282,070	11,664,312		
	Fibres, Textiles and Textile Products.....	9,416,773	4,015,950	3,171,424	37,954,133	17,872,839	12,920,355	86,576,562	39,963,670	30,088,433		
	Wood, Wood Products and Paper.....	2,908,348	332,211	2,349,969	12,821,073	1,242,538	10,833,675	31,886,807	3,598,184	26,212,516		
	Iron and its Products.....	16,872,817	2,134,328	14,110,597	62,398,497	6,705,314	53,959,870	151,048,892	17,000,071	128,012,514		
	Non-Ferrous Metals and their Products.....	3,532,230	649,329	2,302,476	13,774,986	2,236,192	9,077,684	35,680,766	5,596,783	22,996,551		
	Non-Metallic Minerals and their Products.....	12,991,947	2,077,358	8,552,456	40,986,398	3,928,499	32,736,293	120,524,964	12,873,998	91,729,405		
	Chemicals and Allied Products.....	4,364,723	938,584	2,696,394	13,643,873	2,533,724	8,352,370	30,750,889	7,069,196	22,317,026		
	Miscellaneous Commodities.....	5,242,996	910,407	3,499,753	19,237,398	3,334,856	13,766,044	49,972,947	7,796,594	36,666,883		
	Total Imports, 1939.....	72,957,808	12,935,320	43,153,320	257,399,917	45,073,489	165,686,379	657,075,734	114,097,215	412,116,125		
	1938.....	67,123,037	11,930,350	40,159,975	277,745,537	50,268,704	178,300,821	781,494,587	141,435,777	476,633,170		
1937.....	76,707,454	14,433,278	45,842,584	305,147,005	56,124,478	192,172,629	704,131,238	133,326,957	416,719,239			
<i>Exports (Canadian Produce)</i>	Total Exports	To United Kingdom	To United States	Total Exports	Total Exports	To United Kingdom	To United States	Total Exports	To United Kingdom	To United States		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
	Agricultural and Vegetable Products.....	17,307,469	7,999,432	3,635,852	58,527,892	31,479,833	9,111,446	189,278,682	101,133,288	32,492,796		
	Animals and Animal Products.....	10,449,226	5,467,151	4,055,485	51,522,948	26,772,483	18,865,008	124,061,544	71,818,670	37,601,741		
	Fibres, Textiles and Textile Products.....	1,393,086	559,910	5,930,133	8,319,133	1,729,376	423,130	33,561,518	3,419,375	1,869,923		
	Wood, Wood Products and Paper.....	19,761,264	3,873,690	13,193,708	83,119,082	13,781,546	58,070,420	217,493,662	37,664,120	149,030,496		
	Iron and its Products.....	5,870,269	1,399,719	470,298	26,750,486	6,700,184	1,744,932	58,699,476	12,981,654	3,809,450		
	Non-Ferrous Metals and their Products.....	32,644,140	10,199,147	17,474,937	118,240,832	36,789,361	58,743,401	292,600,876	87,250,557	150,553,571		
	Non-Metallic Minerals and their Products.....	2,166,272	392,607	1,214,625	7,979,401	983,694	4,828,978	23,978,942	2,707,652	12,111,134		
	Chemicals and Allied Products.....	2,760,993	695,603	1,289,452	10,647,337	2,600,560	5,080,986	21,090,009	5,651,443	8,395,172		
	Miscellaneous Commodities.....	1,630,992	599,150	706,758	6,540,186	1,993,149	3,266,584	16,971,550	4,289,958	9,014,319		
	Totals, 1939.....	93,983,716	31,126,408	42,143,453	368,718,347	122,537,198	100,084,885	957,739,259	326,916,747	404,878,602		
1938.....	67,769,500	27,859,138	21,177,087	324,414,891	135,331,537	101,118,198	1,020,205,047	401,893,850	382,182,383			
1937.....	103,624,553	34,628,540	47,982,975	414,401,395	138,038,102	139,116,861	1,088,979,539	412,606,282	455,407,570			
<i>Exports (Foreign Produce)</i>	Totals, 1939.....	898,878	109,159	702,377	4,042,598	341,389	3,357,395	34,375,858	18,976,839	8,290,191		
	1938.....	5,021,747	3,068,708	728,478	12,956,922	5,064,036	5,928,704	21,148,846	5,763,874	12,729,340		
	1937.....	2,079,282	195,833	1,613,434	6,575,937	596,086	5,421,047	15,296,132	1,127,802	12,991,587		
<i>Excess of Imports (i) or all Exports (e)</i>	Totals, 1939.....	(e) 21,924,786	(e) 18,300,220	(i) 307,490	(e) 115,390,958	(i) 77,805,098	(i) 2,244,099	(e) 335,039,383	(e) 231,796,371	(e) 1,052,668		
	1938.....	(e) 5,668,210	(e) 19,027,496	(i) 18,614,410	(e) 59,628,276	(e) 7,253,839	(e) 259,859,636	(e) 266,221,947	(e) 266,221,947	(i) 81,721,447		
	1937.....	(e) 28,896,381	(e) 20,341,145	(i) 3,753,825	(e) 115,830,327	(e) 82,510,370	(e) 2,366,279	(e) 400,144,433	(e) 280,407,127	(e) 51,679,918		

BUSINESS CONDITIONS IN BRITISH MALAYA

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(All values are in Straits currency; at current rate of exchange S\$1 equals 55 cents Canadian. Quantities are in tons of 2,240 pounds or piculs of 133½ pounds)

Singapore, May 25, 1939.—British Malaya is the name applied to the several states in the Malay Peninsula which are under British rule or protection. It comprises the Straits Settlements, which include the three cities Singapore, Penang, and Malacca, and Labuan, Christmas Island, and Cocos Islands; the four Federated Malay States and five Unfederated Malay States. The total population is 4,900,000, of whom 2,140,000 are Malays, 2,000,000 Chinese, 700,000 Indians, 25,000 Europeans, 18,000 Eurasians, and 55,000 other foreign Orientals.

The Straits Settlements cities are the main points of entry for imported goods and also handle most of the exports. Returns for the year 1938 are not yet available by ports, but in 1937 over 70 per cent of the total imports of British Malaya and 53 per cent of the total exports passed through Singapore, while Penang handled 19 per cent and 24 per cent respectively. The only port in the Federated Malay States of any importance is Port Swettenham, which in 1937 handled 9 per cent of the total imports and 13 per cent of the exports.

By reason of the economic specialization of Malaya the country is quickly susceptible to conditions in international markets. The decline in world activity noticeable in the second half of 1937 continued during 1938 to the detriment of Malaya's position as an exporter of the primary products, rubber and tin. The widespread anxiety and uncertainty raised by the danger of war contributed to restriction of international trade and brought a decline of interest in Malaya's products, the export position of which was further involved by adherence to international control schemes.

The unit of currency, the Straits dollar, is tied to the pound sterling and weakened in sympathy with it during the crisis months of 1938. To declining purchasing power in general was added a further depreciation in terms of currencies which had appreciated against sterling. At the close of the year buyers of Canadian products were meeting an additional mark-up of about 8 per cent to cover this exchange loss.

Curtalement of mining and estate activity has reduced employment, depressed wages, and decreased purchasing power. Boycott activities of the Chinese population have restricted the supplies of low-priced goods, while quota control of foreign cotton woven piece-goods has also played a part in advancing the cost of living for the native. Conditions in industry have been on a favourable basis. Annual reports now available show that the margin of profit was maintained and occasionally increased.

The United Kingdom-United States Trade Agreement, which became effective in Malaya in December, has reduced the preference on certain items entering the Federated and Unfederated Malay States, but will make little change in the competitive positions of Canada and the United States in those territories.

The decline in world commodity prices seems to have been checked and with any upturn in consumption Malaya's position will be improved immediately.

GOVERNMENT FINANCE

Government finances have always been in a sound position and there was no change in this respect in 1938. The most interesting development has been the continued extension of governmental expenditure on permanent improvements. These outlays have largely offset the effects of lessened private enterprise.

The Straits Settlements, Federated Malay States, and several Unfederated Malay States are each committed to substantial capital expenditure, but in every case improvements are being financed from current revenues and surpluses.

Straits Settlements estimates for the year 1939 show revenues of Singapore, Penang, and Malacca at \$40,227,000 with recurrent expenditure of \$36,344,000. Expenditures extraordinary are placed at \$9,624,270; but invested surpluses, largely in sterling securities, amount to \$36,518,000 with a further reserve of \$59,091,000 held in the Opium Revenue Replacement Fund.

The Federated Malay States, in a preliminary balancing of accounts for the year 1938, places revenue at \$71,367,000 and expenditure at \$69,654,000. For the year 1939 revenues are estimated at \$60,372,000 and expenditures at \$73,950,000. The deficit of \$13,578,000 will be met from the surplus which was \$44,500,000 at the close of the year. This amount, however, must be supplemented by the special reserve created during 1937 and increased by \$15,000,000 to \$40,000,000 during 1938.

Although Johore, the largest and most prosperous of the Unfederated Malay States, has budgeted for a deficit in 1939, the deficit is being charged also to surplus and the finances of the state are perfectly sound. The position of the smaller Unfederated Malay States is also satisfactory.

CONSTRUCTION

Army, Navy, and Air Force, public works departmental, municipal, and institutional spending on permanent improvements, as already mentioned, were a saving factor in Malayan economy during 1938. The volume of construction resulting from continued expenditures in Singapore by these organizations, by the Public Works Department, the Straits Settlements Government, and Harbour Board administrations has served to reduce the degree of economic depression which otherwise would have been similar to that now prevailing throughout Malaya. Elsewhere in Malaya construction policies and public works improvements have furnished badly-needed employment and have provided an economical alternative to repatriation of trained estate and mine labour forces. Abatement of existing quotas will call for immediate reabsorption of the excess labour.

CURRENCY

The assets supporting Malaya's note issue continue substantially in excess of currency in circulation, which amounted at the close of the year to \$105,256,000. Total assets of the Board of Currency Commissioners of Malaya, held in London, amount to \$140,000,000.

Legislation changed the status of the currency fund late in the year by transferring the currency issue privileges and responsibilities of the Straits Settlements to a fund administered by the joint Malayan Governments. (A report on the change will be found in *Commercial Intelligence Journal* No. 1839, page 645.)

TRADE

Trade figures emphasize the deterioration in the economic position of the country during 1938 from the boom conditions of the preceding twelve months. It must be noted, however, that the trade figures remain substantially above those for 1932.

Total value of overseas commodity trade in 1938, as compared with 1937, decreased by 29.8 per cent to \$1,115,925,000 (Can.\$613,759,000). Imports declined 19.4 per cent to \$546,610,000 (Can.\$300,636,000), while exports fell by 36.7 per cent to \$569,315,000 (Can.\$313,123,000).

EXPORTS

Contributing to the decline in value of exports during 1938 was a reduction in values of a wide range of products. Of the twenty-two export and re-export items in the trade returns valued at \$500,000 or over, seventeen declined by a

total of \$327,806,000 and five had increases totalling \$6,988,000. By principal destinations the percentage distribution of exports in 1938 (figures for 1937 within parentheses) was as follows: United Kingdom, 14·4 (10·9); other British, 17·9 (13·2); continent of Europe, 16·9 (16·3); United States, 30·4 (44·3); Japan, 9·5 (6·7); Netherlands India, 7·2 (3·9); other countries, 3·7 (4·5).

IMPORTS

As stated earlier, conditions imposed by international schemes of regulation in the case of both tin and rubber had a depressing effect on the value of domestic purchasing power. During 1937, when rubber and tin were both being exported under conditions of approximately 100 per cent quotas, total imports amounted to \$679,913,000. Last year there was a decline of 19·4 per cent in imports to \$546,609,942. Patriotic remittances by the Chinese community, estimated to have exceeded \$40,000,000, contributed to the reduction in purchases of goods from abroad.

By countries of origin the principal sources of supply during 1938 (figures for 1937 within parentheses) were: United Kingdom, 18·3 per cent (15·6); other British, 19·8 (17·3); continent of Europe, 4·6 (5·7); United States, 3·1 (2·5); Japan, 2·2 (5·9); Netherlands India, 27·5 (32·3); other countries, 24·5 (20·7).

The United Kingdom and other British countries, the United States, and other countries have improved their position at the expense of Netherlands India, Japan, and Europe. Imports declined in value from all countries except the United States, which supplied to an increased value of 7 per cent.

CREDIT SITUATION

The Chinese middlemen laboured under increasing difficulties during 1938 and bankruptcies largely increased. Frozen Japanese stocks, patriotic contributions, reduced purchasing power by the native consumer, and finances involved in tin and rubber ventures have weighed heavily on Chinese sources of capital. Even those merchants regarded as sound have found difficulty in meeting demands at the due dates and settlements have been slow. Merchants have curtailed lines of credit and in many cases have required substantial reductions of outstanding balances before accepting additional orders.

Exporters are cautioned to obtain the advice of the Trade Commissioner's office at Singapore when entering into relations with unknown buyers in this market.

RUBBER

Rubber producers in 1938 passed successfully through an unsatisfactory year. Prices declined from an average of Straits 32·09 cents per pound during 1937 to Straits 24·06 cents for the year 1938. More important than the decline in price, however, was the series of reductions in quotas by the International Rubber Regulation Committee. Malaya's basic allotment was increased by 13,000 tons to 602,000 tons on January 1, 1938, but this was offset by a decrease in permissible export from 90 to 70 per cent for the first quarter of the year, and by further reductions to 60 per cent in the second quarter and 45 per cent for the balance of the year. Under this curtailment exports were reduced by 34,295 tons or 44·2 per cent to 45,247 tons. Malaya supplied 58 per cent of the world exports of rubber in 1932 and only 43 per cent during 1938.

Due to the increased restrictions, tapped areas declined during the year from 72·9 per cent to 53·9 per cent of the estimated tappable area of 1,882,278 acres.

The statistical position was much improved at the close of the year and the industry is mildly optimistic. World stocks of rubber, which were estimated

as late as April at 487,300 tons, have been reduced to approximately 200,000 tons. Present exports from producing countries are at the rate of 843,000 tons per annum as against an estimated absorption rate of 1,000,000 tons per annum. In the absence of further international complications, extended quotas to the immediate benefit of the Malayan producer and the country's purchasing power are anticipated.

TIN

World tin consumption during 1938 was disappointing with tinplate production reduced by 40 per cent and motor car production by about 30 per cent. From a quota of 110 per cent allowed Malaya by the International Tin Committee at the close of the year 1937, successive restrictions reduced the permissible export to 70 per cent during the first quarter and to 55 per cent during the second. Reallotment of half the unfilled quotas of the Belgian Congo, Bolivia, and French Indo-China in this quarter increased the permissible export by 7.56 per cent. As on July 1, the Malayan standard allotment was increased by 7½ per cent to 77,335 tons, but the quota was reduced to 35 per cent. Relief from the reduction was effected by the creation of a buffer pool up to the total of 15,000 tons. Malaya was, therefore, given an additional 10 per cent on her quota and operated on a 45 per cent basis for the balance of the year.

Malaya's export tonnage under these successive revisions declined by 34,185 tons to 43,247 tons, while the prices obtained fell by 20 per cent to an average of \$95.59 per picul. At the close of 1938 there were in operation 55 dredges out of a total of 115, whereas 12 months previously 93 out of 113 were active.

NOTES ON OTHER EXPORT COMMODITIES

The annual price index of domestic exports declined by 19 per cent to 66.9 per cent in 1938. During the year the index moved downward from 65 per cent in January to a low of 56.5 per cent in May, thereafter improving to reach 76.3 per cent in October and weakening slightly to close the year at 75.3 per cent.

PINEAPPLE

Progressively unfavourable conditions in the pineapple industry during the first eight months of the year resulted in joint action by the Governments of Singapore, Johore, and Selangor and the pineapple packers to create a price and production monopoly. The monopoly organization, the Central Board of Pineapple Packers, Malaya, commenced to function on October 17. (See "Price Control in the Malayan Pineapple Industry" in *Commercial Intelligence Journal* No. 1843.)

Exports during 1938 declined both in quantity and in value, amounting to 2,351,000 cases valued at \$7,262,851 as against 2,596,000 cases valued at \$5,119,000 in 1937.

VEGETABLE OILS

The position of coconut oil in Malaya last year was unsatisfactory. Prices on the Singapore commodity market declined from the 1937 level by 34.5 per cent to a price of \$7.28 per picul. Exports increased in quantity by 22.2 per cent to 49,502 tons but their gross value was less than that of 1937 shipments.

PALM OIL

The average selling price of palm oil in 1938 was \$114.41 per ton as against \$151.86 during 1937. The general movement of prices was downward from a high of \$151.49 in February to \$96.18 at the close of the year. Exports increased in quantity to 54,540 tons valued at \$6,139,966 as against 42,928 tons valued at \$6,519,066 in 1937.

COPRA

As a source of revenue to the native, copra is an important economic factor in Malaya. Returns were so unsatisfactory last year that in many sections of the country coconuts were allowed to remain unharvested on the trees. The average price of \$6.36 per picul during 1937 was only moderately attractive, and the 1938 average return was only \$3.53. Early in the year the price was \$4.39, but it declined steadily to as low as \$3.04 in November. Copra exports amounted to 186,271 tons valued at \$12,493,814, whereas 200,989 tons exported in 1937 had a value of \$22,793,752. As on December 31, 1938, more than 60,000 tons of copra were held in storage up-country and in Singapore against any improvement in price.

PEPPER

Both black and white pepper declined in 1938 by 24.6 per cent in price to an average quotation of \$8.42 per picul for the former and \$13.10 for the latter. Black pepper shipments rose slightly, amounting to 3,779 tons (3,228 tons in 1937); while white pepper shipments declined by 50 per cent to 3,690 tons.

SHIPPING

Shipping interests in 1938 enjoyed a satisfactory year. Both inward and outward tonnages increased, while rates were maintained at a profitable level. Trans-Pacific space was at a premium and space for immediate shipment on occasion was unobtainable.

Coastal shipping was well supported, according to the annual report of the Straits Steamship Company, whose profit and loss account for the calendar year showed a slight improvement over 1937.

During the twelve months 6,574 vessels of over 75 tons entered Malayan ports as against 6,612 in 1937. Ship tonnage showed a similar loss, being 16,243,086 tons in 1938 as against 16,618,347 in the previous year. Ninety per cent of the vessels used the facilities of the port of Singapore and 32 per cent those of Penang.

SHARE MARKET

Reduced rubber and tin quotas have depressed the selling prices for most Straits dollar shares. Declines in prices, which commenced late in 1937, have continued with only occasional periods of active interest.

Industrial shares have not been materially affected and have remained stable, despite heavy selling pressure from the United Kingdom, notably at the time of the September crisis. Annual reports as issued show little unfavourable reaction to conditions. Profits have been generally maintained, and in some instances have advanced.

Local government and municipal bonds have been popular and prices of these securities have risen.

LABOUR

Despite the brisk conditions prevailing in the building industry, the housing shortage remains acute. European rents advanced further during 1938 in face of the opening of the first additions to staff residence for army, navy, and air force officers which, it was anticipated, would relieve the situation.

Wage rates for native and immigrant labour have declined both in mines and on estates. The standard wage rate is now Straits 40 cents per day as against Straits 50 cents one year ago. Labour troubles have been increasingly frequent owing to the grave restriction of employment. As a result of the curtailment in dredging and open cast mining operations there has arisen a serious unemployment problem. Labour staffs, which totalled 85,675 on the last day of December, 1937, had declined by 32.7 per cent to 57,663 on December 31, 1938.

Immigration statistics emphasize the extent of unemployment. The Chinese labour quota of 6,000 per month during the last eight months of 1937 was reduced to 3,000 per month on January 1, 1938, and to 500 per month on April 1. Simultaneously a similar quota of 500 per month was placed on Chinese women previously admitted free. The net increase of deck passengers arriving in Malaya during 1938 amounted to 19,303 as against 254,996 during 1937. Southern Indians, primarily recruited for estate labour forces, show an absolute decline in numbers, departures exceeding arrivals by 31,182. In the previous year the excess of arrivals was 78,194. The number of Chinese coolie immigrants declined under the labour quota by 75.5 per cent to 50,545.

COMMUNICATIONS

The "All-Up" policy for first-class mails within the Empire became generally effective in Malaya on March 15. Air communications in general have notably improved. Faster and more frequent services to Europe are being supplied by Imperial Airways and the Koninklijke Luchtvaart Maatschappij (K.L.M.), each of which are on a tri-weekly basis. Other services include bi-weekly mails for Australia, extended during the year to New Zealand, and daily service to Netherlands India by internal service of the Koninklijke Nederlandsch Indische Luchtvaart Maatschappij (K.N.I.L.M.), which extended their routes to Bangkok and Saigon to connect with Air France once per week, thus giving a third international service to Europe. This joint Dutch and French service also connects with a Chinese service at Hanoi. Negotiation is under way between the K.N.I.L.M. and the Commonwealth of the Philippines for landing privileges at Manila, which will supply a second access to Pan-American Airways and the Trans-Pacific service now routed via Hongkong. Bi-weekly services to Hongkong are offered by Imperial Airways and an internal Malayan service offers a connection between principal cities twice daily.

Communications were further aided by reduced cable rates, in particular inter-Empire exchanges, for which a flat rate was established in April. The resulting reduction amounted to approximately 60 per cent in the case of messages to Canada.

FUTURE PROSPECTS

Malaya illustrates the problem of a country whose economy and well-being rest on international demand for a limited range of primary products. The fall in world market prices for tin and rubber, and more particularly the restriction of the quantities of each allotted to Malaya by international control boards, made 1938 an unsatisfactory year in that respect. For the future an improved demand for rubber seems reasonable and mild optimism pervades the industry. In the case of tin the future is more obscure: but the Malayan mining industry is favoured by low cost of production and stands to benefit more than other producers with improved demand and increased production.

TRADE OF MALTA IN 1938

Mr. A. B. Muddiman, Canadian Trade Commissioner at Milan, writes under date June 13 that the total trade of Malta (excluding bullion and specie) in 1938 was valued at £4,085,296 as against £4,269,655 in 1937, a decrease of 4.31 per cent. The value of imports for consumption dropped to £3,866,182 from £4,019,089, or by 3.80 per cent. Exports, which are always limited to small quantities, dropped in value to £219,114 from £250,566, a decrease of 12.55 per cent. Re-exports (excluding bullion and specie) totalled £468,273 (£449,331).

The value of the principal imports into Malta from Canada in 1938 was £94,753 as compared with £145,234 in 1937.

CANADIAN TRADE WITH THE NETHERLANDS IN 1938

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

(One florin or guilder equals \$0.53½ approximately at current rate of exchange; one metric ton equals 2,205 pounds; one cubic metre equals 35,314 cubic feet)

II

NOTES ON COMMODITIES IMPORTED FROM CANADA

Fish and Shellfish.—Total imports into the Netherlands from Canada under this group in 1938 fell off, due to reduced shipments of salmon and halibut. Imports of Canadian frozen salmon decreased from 52 metric tons (fl.38,515) in 1937 to 38 tons (fl.27,773) in 1938. There is a fair demand for this fish, which is one of the few which can enter Holland free of quota restrictions. Prices, however, have to be keenly graded to compete with Columbia and Fraser River supplies, and quality must be first-class to meet the critical demands of the smokers.

Imports of halibut declined from 11 tons (fl.4,192) to 3 tons (fl.1,998). These are only permitted entry on special licence.

Fresh Meat and Packing House Products.—In 1937 this item included 13 tons valued at approximately fl.4,000, which turned out to be imports of packing house offal, such as lungs, livers, and kidneys. There were no corresponding imports in 1938.

Rendered Animal Fats.—Imports of animal fats—mainly tallow—fell off sharply from 190 tons (fl.48,000) in 1937 to 32 tons (fl.4,000).

Honey.—Imports declined about 50 per cent in 1938 as compared with 1937. Holland imports considerable supplies of buckwheat honey, which is used by the bakers and confectioners. Price is always one of the ruling factors in so far as this market is concerned. Cuba is the chief supplier.

Non-specified Animal Products.—Fishmeal is the main commodity in this group, imports in 1938 amounting to 766 tons (fl.76,405). This is a considerable increase over the 1937 total of 194 tons (fl.18,000). Under this heading is also 19 tons (fl.7,703) of animal organs for the chemical industry, 37 tons (fl.7,000) of bladders and casings, and 1 ton of cow hair (fl.1,090).

Cereals.—Particulars have been given as to the quantities of Canadian wheat brought into this country, and the import table lists individual arrivals of the various other cereals. Figures for "grains n.o.p." are entirely accounted for by arrivals of buckwheat. Imports of rye and oats decreased in value, while shipments of barley and buckwheat advanced. Total imports of cereals from Canada increased from 175,338 tons (fl.14,826,000) in 1937 to 331,481 tons (fl.19,011,000) in 1938.

Seeds.—Arrivals of seeds advanced. There were 18 tons (fl.12,445) of grass seed, 6 tons (fl.3,576) of clover seed, and 1 ton (fl.1,107) of vegetable seeds imported in 1938.

Soya Beans.—These continue to be included among imports from Canada, although the supplies apparently come from the United States via Montreal.

Peanuts.—This is a new item in Canadian trade with the Netherlands; 206 husked tons of peanuts (fl.17,724) were imported.

Fruits, Fresh and Dried.—Imports of fruits from Canada declined, mainly due to the reduced shipments of Canadian apples, which fell off from 1,762 tons (fl.136,415) to 252 tons (fl.24,000). There appeared to be plentiful supplies of United States apples, and prices were not attractive to Canadian shippers.

Arrivals of dried apples also declined, from 103 tons (fl.28,000) in 1937 to practically nil.

Non-specified Cattle Feed.—Imports in this group are mainly linseed cakes, which are only admitted under quota. Arrivals decreased considerably in 1938, when 409 tons (fl.28,000) were imported as compared with 1,183 tons (fl.76,000) during 1937. An amount of 27 tons (fl.2,000) of feeding cakes is also included in this item.

Flax.—Flax imports comprised 5 tons of waste valued at fl.1,585.

Ores.—Imports under this heading are zinc ores. These increased considerably as compared with 1937, reaching a value of fl.47,000.

Saltpetre and Artificial Fertilizers.—This is a new item as far as Canada is concerned. Imports were valued at fl.92,000 and comprised chloride of potassium. It is probable, however, that these supplies originate in the United States.

Iron, Steel, and Manufactures Thereof.—The value of arrivals from Canada under this general heading increased from fl.15,000 to fl.23,000. Imports were mainly crude and pig iron, which accounted for 159 tons (fl.19,845). There was also 1 ton of iron fittings (fl.1,886) and 1 ton of miscellaneous iron articles (fl.1,075).

Copper, Bronze, and Brassware.—Copper wire, non-insulated, was the chief item under this heading, arrivals from Canada being 1,794 tons (fl.758,000). This was followed by copper in blocks, which accounted for 1,349 tons (fl.527,000). Copper in bars or rods amounted to 254 tons (fl.104,450). There were also 10 tons (fl.3,000) of copper waste and 10 tons (fl.17,000) of miscellaneous copper and brass work.

Zinc and Manufactures Thereof.—There were no imports from Canada in 1938. In 1937, however, 153 tons of zinc in blocks (fl.38,000) were brought in from Canada. As noted above, zinc ore arrivals advanced.

Non-specified Metals and Products Thereof.—This item usually covers any imports of nickel or aluminium from Canada. Arrivals showed a decline from the previous year's figures and were principally unworked aluminium in blocks to a value of 23 tons (fl.18,000) and 5 tons (fl.3,000) of miscellaneous metal products.

Non-specified Minerals and Products Thereof.—Asbestos is the principal import from the Dominion, which is the main supplier of this mineral to Holland. Canadian supplies in 1938 amounted to 795 tons (fl.94,000). A general item covering all unmanufactured and semi-manufactured materials of mineral origin accounts for a further 416 tons (fl.23,000) of goods under this heading.

Wheat Flour.—Imports of Canadian wheat flour into Holland decreased by more than 50 per cent, from 1,156 tons (fl.131,000) in 1937 to 558 tons (fl.53,000). As imports and movements of wheat flour are strictly controlled by government regulations, the prospects for expansion in shipments of this commodity to Holland are small. A trade agreement with the United States has helped to make that country the principal supplier of wheat flour. Price, however, is the main factor.

Husked, Broken, or Crushed Grains, or Malt.—Imports of this item, amounting to 4 tons (fl.2,000), is probably breakfast cereals. Imports were at one time of considerable volume but, with the construction of a large processing plant in Rotterdam some years ago, have practically ceased.

Flour Products N.O.P.—Imports from Canada under this heading have increased. Principal arrivals are listed in the statistics as semolina, children's food, pudding powders, and similar preparations, amounting in 1938 to 515 tons (fl.48,000). Small arrivals of macaroni and vermicelli would also be included in this item.

Chemical Products.—No details are available, as supplies from Canada are mainly included under "chemical products n.o.p.," valued at fl.6,000 in 1938.

Paints, Dyes, and Varnishes.—Imports decreased somewhat. Arrivals were principally iron oxides, 48 tons (fl.8,350); ochre, 14 tons (fl.2,500); bronze and aluminium powders, 3 tons (fl.3,500); and carbon black, 10 tons (fl.2,000).

Wax, Soap, and Oil Products.—Toilet soap is the main product imported from Canada under this heading. The brand mainly sent to Holland is a well-known international one, and the abrupt decline in the value of imports from fl.442,000 to fl.3,000 is probably due to the reallocation of orders from the Canadian to other plants.

Lumber.—Imports in 1938 consisted of 1,426 cubic metres (fl.37,591) of Douglas fir logs and squared timbers and 562 cubic metres (fl.23,814) of sawn Douglas fir lumber. In addition there were some small imports of 21 cubic metres (fl.1,224) of sawn pine woods.

Finishing Woods.—The wood included under this heading is poplar, of which 120 tons of logs (fl.2,900) and 8 tons (fl.1,216) of sawn lumber were imported.

Wood N.O.P.—This is mainly pulpwood, of which 22,416 cubic metres (fl.193,159) were imported. There were also 35 tons of cooperage stock (fl.3,956). Miscellaneous imports of other wood accounted for 77 tons (fl.5,438).

In manufactures of wood and wood products the main items are wood-pulp and plywood. Total arrivals from Canada under this heading have declined steadily during the past few years, principally due to the lower imports of bleached sulphite pulp. In 1938 pulp accounted for 51 tons (fl.6,537), whereas in 1936 there were 5,762 tons (fl.590,000) and in 1937 a total of 708 tons (fl.100,000) brought into this country from Canada.

Douglas fir plywood arrivals also decreased from the 1937 totals of 607 tons (fl.113,000) to 391 tons (fl.69,000). In addition there were some miscellaneous imports amounting to 28 tons (fl.7,247), which include various small wooden articles such as wooden forks and spoons, tongue depressors, bobbins, and skewers.

Hides and Skins.—There has been a sharp decline in imports of hides and skins from Canada. The figure for 1938 was 52 tons (fl.18,250), about one-tenth of the value in the preceding year. In both years the imports consisted of raw salted hides.

Leather.—There was an increase in imports of leather from Canada, which consisted chiefly of horsehide for glove manufacturing, of which 2 tons (fl.6,170) were imported. Upper leathers of all kinds are subject to quota restrictions. There was also a small quantity of box calf or suede imported, the value being fl.1,502.

Footwear.—Arrivals from Canada are limited to rubber boots, principally for fishermen. These are only admitted under strict quota regulations, and the number of pairs entered from Canada has been steadily decreasing. The 1938 figures were 2,417 pairs (fl.9,229) as compared with 9,985 pairs (fl.32,000) in the previous year. There is, however, a good demand for these, as well as for running shoes of Canadian manufacture, but the quota regulations preclude their entry.

Leather Products.—Imports are chiefly leather gloves for cyclists and workmen. In 1938 a total of 1,126 dozen pairs (fl.13,187) were admitted from Canada. There were also shipments weighing half a ton of miscellaneous leather products valued at fl.1,927.

Yarns, Textile Products, and Clothing.—Artificial silk yarns were imported to a value of fl.2,754. Imports of textile manufactures comprised mainly 26 tons of second-hand bags (fl.4,897); clothing imports included 1,026 rubber garments (fl.3,898). There were shipments totalling 153 dozen pairs of silk stockings (fl.2,628) and additional imports valued at fl.2,300 were brought in by post.

Considerably more business could be done in this item if these goods were not subject to quota restrictions. In 1938 there were imports of 6,644 corsets and brassieres (fl.8,312) from Canada as compared with the 1937 figure of 1,990 (fl.2,580). Other underclothing valued at fl.2,291, knitted garments at fl.1,847, and caps and berets valued at fl.1,456 were also included under this item.

Practically all textile products, with the exception of corsets and brassieres, are under quota restriction, and there is little opportunity of doing increased business in these lines.

Bricks, Artificial Stone Products, and Wallboards.—Imports from Canada under this heading are confined to wallboard. 1938 arrivals of which were less than in 1937 and amounted to 478 tons (fl.66,064). The chief competition is from Sweden, Finland, the United States, and Great Britain, supplies from all of these countries being of greater value than those from the Dominion. Price competition is very keen.

Paper and Paper Products.—The principal item in this group is a good-quality bond paper, of which 18 tons (fl.6,786) were brought in during 1938. Some miscellaneous paper imports valued at fl.1,114, being advertising material, paper napkins, and lithographs, completed this division. Paper products, with but few exceptions, are subject to quota restrictions.

Tobacco.—There was a large decrease in 1938 arrivals of raw tobacco as compared with 1937, imports from Canada being valued at fl.660 as compared with fl.45,000.

Foodstuffs N.O.P.—There was a slight increase under this heading. Imports of canned salmon amounted to 13 tons (fl.3,029) and of canned lobster to 4 tons (fl.3,578). It is difficult for Canadian lobster and salmon shippers to compete in price with Japanese crab and salmon supplies.

Confectionery to the value of fl.668 was also brought in from Canada, and miscellaneous foodstuffs worth fl.1,837.

Agricultural Implements, Machines, etc.—This group includes various electrical devices, and agricultural machinery such as mowers and binders. In 1938 the imports comprised electric meters, fl.5,538; volt and ampere meters, fl.1,538; electrical apparatus and equipment for light and power transmission, fl.2,824; and a ship's diesel motor valued at fl.3,000. In this same year twenty mowers and binders were imported to the value of fl.11,360, and miscellaneous machines and parts added fl.11,459 to the total for this group.

Tools.—This small item covers both garden and hand tools, imports of which were valued at fl.1,200 in 1938.

Instruments and Parts.—Imports advanced, due mainly to arrivals of 184 typewriters (fl.22,737), with an additional fl.1,000 for miscellaneous photographic equipment.

Products of Rubber and Balata.—Arrivals of rubber products from Canada showed a decided decrease from the previous year's figures. This is due to the falling-off in shipments of automobile tires, which decline from 26,536 units (fl.499,000) in 1937 to 6,705 units (fl.178,640). There is often a considerable variation from year to year in tire imports from Canada, as in most cases orders are relayed to the parent company in the United States, and these head offices decide which plants shall deliver to Holland.

Imports of automobile tubes decreased from 9,890 pieces (fl.28,056) in 1937 to 1,832 tubes (fl.7,324) during the year under review. Motor cycle tires from Canada in 1938 were valued at fl.1,070, rubber belting at fl.2,795, and other vulcanized rubber at fl.2,952. Miscellaneous rubber products accounted for fl.20,750 and would include household and surgeons' gloves as well as moulded articles.

Miscellaneous Products.—Unframed paintings and etchings valued at fl.31,980 were the main items imported under this heading. There is also an amount of fl.2,723 covering novelties, and fl.2,402 for unspecified goods.

NETHERLANDS EXPORTS TO CANADA

According to Canadian trade figures above, the value of shipments of Netherlands goods to Canada advanced from \$3,359,469 in 1937 to \$3,755,896 in 1938, a gain of approximately 12 per cent. Similarly, the Netherlands statistics indicate an increase in the value of goods shipped to Canada from fl.5,497,000 in 1937 to fl.6,515,000. This represents an increase of fl.1,018,000 or approximately 18½ per cent.

By weight, exports more than doubled, advancing from 40,879 tons in 1937 to 84,249 tons in 1938, an increase of 43,370 tons or close to 106 per cent.

According to the Netherlands trade returns, the following are the chief exports to Canada in order of importance, with values in thousands of guilders: cordage, principally binder twine, 1,282; bulbs and nursery stock, 1,153; vegetable oils, 579; yarns, mostly artificial silk, 427; coal and coke, 318; chemical products, 288; paints and dyes, 258; flour products, chiefly potato flour and dextrine, 226; rags and waste, mainly linen and cotton rags, 211; textiles, principally piece-goods, 192; medicines and pharmaceuticals, 124; seeds of all sorts, 123; cocoa powder and chocolate, 84; fish, nearly all salted and pickled herrings, 83; and instruments and apparatus, 65.

The above are the Netherlands commodities or groups of commodities exported to Canada to a value of more than fl.50,000 (\$26,500) in 1938. The appended table shows Holland's exports to the Dominion, including those listed above, in 1937 and 1938:—

Netherlands Exports to Canada

	1937		1938	
	M. Tons	1,000 Fl.	M. Tons	1,000 Fl.
Total, including goods not mentioned	40,879	5,497	84,249	6,515
Live animals n.o.p. . . . .	....	....	2	13
Fish and shellfish	761	92	504	83
Cheese	48	20	42	19
Animal products n.o.p.	10	8	3	2
Milk products . . . . .	....	....	8	3
Oats . . . . .	....	....	40	2
Pulses	172	19	266	30
Seeds	608	151	468	123
Fresh fruit	3	1	....	....
Preserved fruit	228	42	21	4
Fresh vegetables . . . . .	....	....	39	1
Preserved vegetables	230	29	335	42
Hemp, jute, flax and fibre	4	4	....	....
Bulbs and nursery stock	2,172	1,220	2,227	1,153
Non-specified vegetable products	364	37	375	46
Coal and coke	40	1	32,857	318
Iron, steel and manufactures thereof	111	31	9	5
Lead and manufactures thereof	32	21	76	54
Zinc and zincware . . . . .	....	....	13	3
Non-specified metals, metal alloys and manufactures thereof . . . . .	....	....	23	7
Non-specified minerals and manufactures thereof	50	14	75	10
Husked, broken or crushed grain	451	47	305	31
Potato flour, dextrine and flour products	2,957	291	2,207	226
Chemical products	695	181	1,058	288
Medicines and patent foods	23	115	27	124
Paints, dyes and varnishes	2,409	301	2,318	258
Vegetable oils	2,937	626	3,354	579
Fish oil . . . . .	....	....	4	1
Soap products, etc.	180	156	65	10
Woodenware	5	2	5	4
Hides and skins	45	50	27	13
Leather	1	19	2	17
Yarns	45	64	363	427
Cordage	1,937	587	4,710	1,282
Textiles	135	249	108	192

Netherlands Exports to Canada—Concluded

	1937		1938	
	M. Tons	1,000 Fl.	M. Tons	1,000 Fl.
Earthenware and porcelain	10	2	1	1
Bricks and other artificial stone	90	4	2	1
Glass and glassware	21	10	33	14
Paper and paper products	141	33	110	28
Printed matter . . . . .	....	....	3	5
Cocoa and chocolate	136	50	513	84
Manufactured tobacco	2	2	1	1
Spirits and methylated spirits	31	20	17	9
Foodstuffs n.o.p.	51	15	22	7
Instruments, machines, etc.	108	80	26	28
Instruments and parts	4	38	5	65
Manufactures of rubber and balata	3	3	1	1
Miscellaneous . . . . .	....	....	18	33
Rags, waste, etc.	950	205	1,109	211

ENTREPÔT TRADE

Bonded warehouses have been established at Rotterdam, Amsterdam, and other important points to take care of merchandise shipped to Holland for importation only at some future date, reforwarding to other destinations, or for ships' stores.

Formerly, when the mid-European nations had freer import regulations, this trade was much greater. At the close of 1934 there were 2,511 tons of Canadian merchandise in entrepôt in the Netherlands; at the end of 1937 the figure was 567 tons; but on December 31, 1938, there were only 238 tons of Canadian goods in bond. This quantity was made up of 183 tons of apples, 19 of honey, 17 of oranges, 10 of flour products, 4 of non-specified foodstuffs, $2\frac{1}{2}$ of wheat flour, $1\frac{1}{2}$ of canned lobster, and 1 ton of tobacco waste. The corresponding values are not available.

TRANSIT TRADE

Rotterdam, the chief port of Holland, lies at the mouth of the Rhine waterway, which leads into the central part of Western Europe. It is also a centre for overseas routes to almost all ports in the world and therefore naturally an important transhipment harbour.

Of Canadian goods passing in transit via the port of Rotterdam in 1938, the following were of main interest:—

Transit Traffic via Rotterdam, 1938

	M. Tons
Wheat	72,663
Pulpwood	59,549
Barley	23,849
Ores	14,384
Wood n.o.p.	12,334
Scrap iron and steel	5,578
Rye	4,084
Copper	2,008
Oats	1,455
Breakfast cereals	790

There were also transhipments of 124,438 tons of maize and 5,285 tons of soya beans which were listed as coming from Canada. These were probably United States goods forwarded via Montreal and thus included among Canadian merchandise.

Destinations of the above transit goods are not specifically shown. The wheat goes mostly to Switzerland and the greater part of the barley, pulpwood, and metals to Germany.

NATURE OF CHINA'S IMPORT TRADE IN 1938

M. T. STEWART, ACTING CANADIAN TRADE COMMISSIONER

[Values in this section are given in gold units (g.u.) because detailed figures for import values are shown by the Chinese Maritime Customs in gold units only and not in Yuan dollars. The gold unit's average value in 1937 was U.S.\$0.665; in 1938 the average value was U.S.\$0.679. Its value in terms of Yuan or Chinese standard dollars was \$2.27 in 1937 and the average official rate for 1938 was \$2.30. One kilogram equals 2.2 pounds; one quintal equals 220 pounds; one litre equals 1.76 pint.]

Shanghai, April 27, 1939.—The nature of China's import trade is shown in the appended table of imports from all countries by principal commodity groups. The imports are classified by value in order of their importance in 1938, the 1937 figures being also shown for comparative purposes. The commodity groups listed in the table are approximately the same as those adopted by the Chinese Maritime Customs for the purpose of assessing duties, but some individual items of major importance are shown separately.

China's Imports by Principal Commodity Groups

	1937 Million G.U.	1938 Million G.U.	1937 Rank	1938 Rank	1937 Per Cent of Total	1938 Per Cent of Total
Total imports	419.4	385.6	..	..	100.00	100.00
Metals and ores	57.9	28.4	1	1	13.81	7.36
Chemicals and pharmaceuticals	26.9	24.8	4	2	6.43	6.43
Rice	17.9	24.8	8	3	4.29	6.43
Machinery and tools	28.6	24.4	3	4	6.82	6.33
Wheat flour	2.7	23.1	23	5	0.65	5.99
Paper and pulp	28.7	19.7	2	6	6.85	5.11
Vehicles and vessels	18.5	14.8	6	7	4.41	3.84
Dyes, pigments, paints and varnishes	16.3	13.5	9	8	3.89	3.50
Manufactured cotton goods (including cotton yarn and thread)	9.5	13.2	15	9	2.25	3.42
Kerosene	21.0	13.0	5	10	5.01	3.37
Miscellaneous metal manufactures	18.2	12.9	7	11	4.34	3.34
Tobacco	9.6	9.8	14	12	2.29	2.54
Timber	10.2	9.7	12	13	2.44	2.51
Gasolene	12.2	9.0	11	14	2.90	2.33
Coal	2.2	9.0	27	15	0.52	2.33
Sugar	9.7	8.5	13	16	2.31	2.20
Wool and manufactures	15.6	8.2	10	17	3.73	2.13
Silk and manufactures (including artificial silk)	5.9	7.6	18	18	1.42	1.97
Flax, ramie, jute and linen	9.0	6.4	16	19	2.15	1.66
Fruits, seed and vegetables	2.5	6.0	25	20	0.59	1.56
Raw cotton	7.2	5.5	17	21	1.68	1.44
Animal products, canned goods and groceries	3.7	4.4	20	22	0.88	1.14
Fishery and sea products	5.8	4.3	19	23	1.39	1.11
Medicinal substances and spices	3.2	3.0	21	24	0.75	0.78
Wood, bamboo, rattan, coir, straw and manufactures	3.1	2.9	22	25	0.73	0.75
Hides, leather and other animal substances	2.0	1.9	28	26	0.47	0.49
Stone, earth and manufactures	1.5	1.7	29	27	0.36	0.44
China-ware, enamelware and glass	2.4	1.6	26	28	0.58	0.41
Wines, beer, spirits, table water, etc.	0.5	1.2	30	29	0.13	0.31
Wheat	2.7	0.001	24	30	0.63	....
Sundry	42.2	45.4	..	..	10.06	11.77

NOTES ON CHIEF COMMODITY GROUPS

METALS AND ORES

This group continues to be of major importance although the value of imports was only half that recorded for 1937. A wide range of metals and metal products for industrial purposes is covered by this group, including

aluminium, lead, zinc, and copper in raw and finished form, iron and steel goods of all kinds, and tinplate, etc. Aluminium, lead, and zinc are the chief imports from Canada under this classification, the Dominion continuing to be the leading supplier of the first two items. Practically the entire imports of lead, pig and bars, were from Canada, but in imports of zinc the Dominion lost heavily to Belgium in 1938.

CHEMICALS AND PHARMACEUTICALS

Total imports in 1938 under this classification showed a slight decrease as against 1937, but the value was higher than that recorded for 1936. Imports of sulphate of ammonia showed only a slight decrease in value, the total for 1938 being 8,190,232 g.u. (1,064,000 quintals) as against 8,633,534 g.u. (1,634,000 quintals) in 1937. It will be noted, however, that the total quantities imported during 1938 were considerably less than in 1937. Canada's share of the trade in sulphate of ammonia was valued at 204,814 g.u. (24,272 quintals) in 1938 as against 176,486 g.u. (36,140 quintals) in 1937. Germany and Great Britain, in almost equal proportions, are jointly credited with 6.7 million g.u., the Netherlands and Japan being next in importance among suppliers. Canada's share of the imports of sulphur, an item of lesser importance, amounted to 21,120 g.u. (2,000 quintals). Under miscellaneous drugs and chemicals Canada is credited with small totals. The important suppliers in this group were Germany, Great Britain, Japan, and the United States in that order, these four countries supplying about 84 per cent of the total imports of all chemicals, etc., in 1938.

RICE

Imports of rice during 1938 showed a substantial increase in volume and value as compared with 1937. The continued high values of rice enabled this import item to move into third place, the total imports in 1938 being valued at 24,842,336 g.u. (4,061,000 quintals) as against 17,985,331 g.u. (3,457,000 quintals) in 1937. The Sino-Japanese hostilities, being spread over wide areas of important rice-producing country, interfered so seriously both with the growing of the crops and the subsequent transportation of the harvest, that imports were heavier than would otherwise have been necessary. The chief supplier was Siam, followed by French Indo-China, Burma, and Japan.

MACHINERY AND TOOLS

Imports of machinery and tools decreased substantially from the 1937 figure, and Canada's share under this important classification, at no time large, dwindled considerably. For Japan, the leading supplier, a substantial increase was recorded in 1938, that country being credited with 12,507,582 g.u. as against 9,774,791 g.u. in 1937. Great Britain lost ground only slightly, whereas Germany and the United States both show substantial decreases. Imports of plant and equipment for local industry are included in this group, and important developments have been taking place in the south and west of China which have necessitated the importation of considerable new equipment. Imports of textile machinery and parts constitute the most important sub-item, and of a total of 10,729,134 g.u. Japan was credited with 7,533,705 g.u. Machinery and parts n.o.r. show a decline of approximately 50 per cent in 1938, although Japan is credited with an important increase under this item. Imports from Canada under this classification are negligible, and the outlook for any important increase is not encouraging. The leading suppliers of industrial equipment and railway rolling stock are firmly entrenched, and to compete against them would be difficult, if not impossible. It might be assumed that China, being a great agricultural nation, would provide a market for agricultural machinery from Canada, but labour is so plentiful and pitifully cheap and capital is so relatively dear

that farming operations are carried on under the most primitive conditions and with practically no machinery other than a few hand-made implements.

WHEAT FLOUR

The imports of wheat flour into North China (chiefly Tientsin) during 1938 were so important that this commodity moved into fifth place, the value of imports totalling 23,063,098 g.u. (2,548,000 quintals) as against 2,724,661 g.u. (304,000 quintals) in 1937. Australia is the leading supplier, accounting for slightly less than half the total, with Japan following closely. The United States also participated to some extent in the trade, but imports from Canada were unimportant, due to the relatively high cost of Canadian flour.

Imports of wheat during 1938 were practically negligible.

PAPER AND PULP

Imports of paper and pulp during 1938 were considerably less than in 1937, the total value being 19,672,426 g.u. as against 28,722,639 g.u. in 1937. This trade has been seriously disturbed by the hostilities, and in view of the fact that a large number of printing establishments and paper-manufacturing plants were destroyed and many others cut off through the dislocation of transportation, the import totals recorded for 1938 are rather impressive. The market for imported pulp and paper was undoubtedly expanding prior to the outbreak of hostilities in August, 1937, but owing to the serious setbacks experienced by the local trade, some time must elapse before the lost ground is regained. Canada's share of the trade showed a marked decrease, the total value of exports credited to the Dominion under this heading amounting to only 264,269 g.u. as against 1,940,518 g.u. in 1937. The item of greatest interest to Canada has been newsprint and, prior to the outbreak of the Sino-Japanese hostilities, Canadian producers were in receipt of a large share of this important trade, and the future appeared encouraging.

VEHICLES AND VESSELS

Imports under this classification have decreased progressively, the total for 1938 being 14,762,023 g.u. as against 18,523,641 g.u. in 1937 and a considerably larger total in 1936. The decrease in imports is largely due to the Sino-Japanese hostilities, as a result of which no substantial imports of locomotives and tenders were recorded during 1938, whereas locomotives and tenders were imported to the value of 2,754,941 g.u. in 1937 and 6,192,552 g.u. in 1936.

Motor tractors and trucks and parts and accessories thereof showed substantial increases, and motor cars and buses held up well, due to the energetic policy adopted by the Chinese Government in developing highways and providing motor transport to take the place of the extensive railways lost to them and destroyed during the hostilities. Important railway and highway developments are under way at present in south and west China and considerable activity, from the import viewpoint, may be expected. Canada's share of the total requirements of the necessary equipment is insignificant and cannot be expected to increase, as her chief interest is confined to sales of motor trucks and motor cars, in which Canada is unable to compete with the United States. Imports of aircraft for military purposes are not included under this heading but are classified under "sundries."

DYES, PIGMENTS, PAINTS, AND VARNISHES

Total imports in 1938 were valued at 13,472,787 g.u., a reduction from 16,305,028 g.u. in 1937. It is difficult to say to what extent the hostilities may be responsible for the decrease in this group, but in any case it is one which may

be expected to show some contraction. The domestic manufacture of pigments, paints, and varnishes is increasing and no doubt will continue to do so at the expense of importations. Bronze powder has been the only item of importance to Canada, imports of which from the Dominion in 1938 were valued at 22,291 g.u. (19,700 kilograms) as against 14,255 g.u. (14,015 kilograms) in 1937. There were some importations of cobalt oxide from Canada, together with small quantities of certain pigments, but the total is not important. The value of imports of bronze powder in 1938 amounted to only 60,825 g.u. as compared with 107,175 g.u. in 1937, and in both years Germany was the chief supplier.

RAW COTTON AND COTTON MANUFACTURES

The production of raw cotton and the cotton manufacturing industry in China has been seriously interfered with by the hostilities, and several large cotton-manufacturing establishments and a number of smaller plants have been destroyed and other s badly damaged. Prior to August, 1937, the local cotton-manufacturing industry was developing to the point where foreign manufacturers were being shut out, and China, which had been a valuable import field, was by way of becoming a potential exporter. The cotton industry in China has developed rapidly since 1930 and, as the production of raw cotton increases further, it is reasonable to expect that in the next few years China will be able to supply practically all her own requirements of manufactured cotton, and by then, owing to her enormous population, will have become one of the leading cotton-manufacturing countries of the world.

Formerly cotton piece-goods were the mainstay of the trade to China, but this trade was subsequently largely supplanted by imports of cotton yarn. Now the expansion of the industry from the growing of raw cotton to the final manufacturing process provides an outstanding example of the development of China's natural resources. The import value of raw cotton and cotton yarn totalled 7,536,987 g.u. in 1938 as against 9,029,029 g.u. in 1937, and imports of cotton yarn, grey, unprocessed, showed a very substantial increase. Burma and British India were the leading suppliers of cotton yarn, grey and unprocessed, whereas Great Britain supplied practically the entire imports of cotton yarn, bleached, dyed, etc.

MISCELLANEOUS METAL MANUFACTURES

The total value of imports under this heading showed a substantial decline in 1938 to a value of 12,918,313 g.u. as compared with 18,216,683 g.u. in 1937. Canada's share of the trade under this classification has never been important, but it is interesting to note that imports of nickel blanks for China's subsidiary coins, although credited to the United States, are undoubtedly of Canadian origin. In 1936 an exceptionally large shipment of nickel blanks was made to China, although nothing of importance appears to be recorded for the period under review. The Sino-Japanese hostilities have had a marked limiting effect on the importation of items in this group, and a revival of trade may be expected when peaceful conditions are restored. Insulated electric wire provided an exception to the general decline, imports of this item in 1938 being valued at 1,838,382 g.u. as against 1,446,684 g.u. in 1937. Of the total value of imports in 1938, Canada is credited with 26,000 g.u.

TOBACCO AND TOBACCO PRODUCTS

Imports under this classification showed a slight increase in 1938, the total value being 9,830,802 g.u. as against 9,603,572 g.u. in 1937, and it is noteworthy that in 1936 imports valued at only 7.7 million g.u. were recorded. Tobacco leaf accounts for the major portion of the imports, its value being 8,550,153 g.u. in 1938. The imports of manufactured tobaccos into China are unimportant, as

the local tobacco manufacturing industry is highly developed and the requirements of this large market are met almost entirely from the large and well-equipped local manufacturing plants. It is interesting to note that whereas fifteen or sixteen years ago the imports of manufactured tobacco were very large, a total of eight billion cigarettes being imported into China proper in 1923, the figure for 1938 is 340 million.

The growing of leaf tobacco has become an important domestic industry, and as further developments along this line are to be expected when peaceful conditions are restored, the importation of tobacco leaf will probably dwindle from year to year. The tobacco manufacturing industry in China provides an important source of revenue for the Government, and the market in China for tobacco products has almost unlimited potentialities. The Chinese are inveterate smokers, and the tremendous population creates a demand which is restricted only by their low purchasing power. The cheapest cigarettes that can possibly be produced find by far the largest market.

TIMBER

The Sino-Japanese hostilities have seriously interfered with the trade in timber, and the total figures for both 1937 and 1938 are small in comparison with 1935 and 1936. For 1938 the total value of imports was 9,664,882 g.u. as compared with 10,245,582 g.u. for 1937, 12,800,000 g.u. for 1936, and 19,000,000 g.u. for 1935.

Shipments from Canada declined substantially, and a value of only 893,773 g.u. was recorded as compared with 2,377,735 g.u. in 1937. Imports from the United States, on the other hand, held up well, and a slight increase was recorded, the total value being 3,962,485 g.u. as compared with 3,658,085 in 1937. Australia, which had been an important supplier of hardwood railway ties for the Chinese Government railways and shipped to a value of more than 550,000 g.u. in 1937, was credited with only 22,000 g.u. in 1938. From the standpoint of the Canadian exporters of softwood timber, the situation in China is very interesting, and with the cessation of current hostilities there will be a tremendous potential market for softwood lumber.

KEROSENE AND GASOLENE

China has no known petroleum resources of any importance and, as kerosene is principally used for lighting purposes throughout China, it is of necessity one of China's leading import items. The consumption of kerosene has been considered a fair indication of the living conditions of the people, a substantial advance in imports being regarded as a sign of increasing prosperity. The importations of kerosene oil in 1938 were valued at 13,041,315 g.u. (252,623,000 litres) as against 21,026,386 g.u. in 1937 (447,991,000 litres). The value of imports in 1937 was, however, considerably larger than the 1936 total of 17,600,000 g.u. Imports of gasolene, naphtha, and benzine were valued at 8,974,389 g.u. (120,766,000 litres) as against 12,170,649 g.u. in 1937 (207,388,000 litres). The United States was the leading supplier of both gasolene and kerosene, followed by Netherlands India, although in 1937 Netherlands India was the leading supplier, the diversion of the trade from one source to the other being purely a matter of convenience for the oil companies concerned.

WOOL AND WOOL MANUFACTURES

The woollen textile industry in China has suffered severely because of the hostilities, the value of imports in 1938 totalling only 8,156,669 g.u. as against 15,647,493 g.u. in 1937. Practically the entire decrease is accounted for by reduced values for imports of wool, carded or combed, and waste wool, which

in 1938 amounted to only 980,598 g.u. as against 9,514,658 g.u. in 1937. Great Britain and Australia were the leading suppliers of this class of wool, but imports from Great Britain fell to 943,419 g.u. in the year under review as compared with 6,901,336 g.u. in 1937.

FISHERY AND SEA PRODUCTS

Imports of fishery and sea products showed a decline in 1938, the total value being 4,290,525 g.u. as against 5,822,942 g.u. in 1937; imports under this heading in 1935 were valued at 10,000,000 g.u. Dry salt herring from Canada has been an important item in this trade, but the volume of imports in the 1938 season (December to April) was seriously curtailed due to the hostilities. The total imports of salt herring in 1938 were valued at 143,990 g.u. (26,797 quintals) as against 462,968 g.u. (102,603 quintals) in 1937. The outbreak of hostilities did not interfere with Canada's trade in this item in 1937, as the import season had expired some months earlier. Of the total imports in the salt herring group, Canada's share in 1938 was 76,587 g.u. (15,144 quintals) as compared with 341,993 g.u. (76,625 quintals) in 1937. The volume of imports of dry salt herring recorded for 1938 was not unsatisfactory in view of the exceedingly difficult conditions obtaining in Shanghai during the season, and it is evident that there is an important potential market for this product, which will be quickly developed when hostilities cease and normal trade channels are reopened.

OTHER GROUPS

Detailed comment on the remaining commodity groups does not appear necessary. The disturbing effect of the hostilities on the trade in several items, notably coal, is quite apparent. The normal supply of coal from North China was not available for the Shanghai market, and a serious shortage occurred, necessitating large importations. Coal to the value of 8,900,024 g.u. (1,091,842 metric tons) was imported in 1938 as against 2,192,140 g.u. (426,906 metric tons) in 1937, French Indo-China, British India, and Japan being the leading suppliers in that order.

Imports of silk and artificial silk increased substantially in 1938, whereas those of flax, ramie, jute, and linen showed a marked decrease.

Imports in the "sundries" group continued to be important, the total value in 1938 amounting to 45,424,287 g.u. as compared with 42,198,591 g.u. in 1937. This is, however, considerably below the record figure of 53,082,802 g.u. in 1936. Aeroplanes, munitions, and military supplies are included under the general classification "miscellaneous goods and sundries n.o.r.," which, to a large extent, accounts for the relative importance of this classification.

CHINA'S PRINCIPAL IMPORTS FROM CANADA

The position occupied by Canada in the import trade of China is at best a relatively unimportant one, the bulk of China's imports from the Dominion being confined to only a few items. These, however, are highly important export items in the trade of Canada and are what may be termed natural products. In view of the fact that China is an open market where the keenest competition from the leading world manufacturers, as well as from a rapidly developing local industry, must be met, it is apparent that Canadian manufacturers cannot expect to obtain a large share of this important market except in those products which have some natural advantage to offset the relatively high production costs. The whole trend of China's import trade is towards cheaper products and lower prices, and the competition to be met in many items is exceedingly keen. The following table shows China's imports from Canada by main commodity groups for the years 1937 and 1938, quantities (where available) and values being given for

each important group. In the right-hand column, for comparative purposes, is shown the total value of imports from all countries:—

China's Principal Imports from Canada

(All figures are in thousands unless otherwise stated; where figures are not given they are either unavailable or negligible)

Quantity Equivalents.—One cubic metre equals roughly 424 feet board measure; one kilogram equals 2.2 pounds; one quintal equals 220 pounds; nine quintals are roughly the equivalent of one short ton; one litre equals 1.76 pint. One gold unit equals U.S.\$0.679.

	1937		1938		Total all Countries
	Cub. Met.	G.U.	Cub. Met.	G.U.	G.U.
Total imports . . . . .	.....	7,515	.....	3,427	388,739
Timber of all kinds . . . . .	.....	2,378	.....	894	9,665
Hardwood logs	5.6	91	2.5	53	1,525
Softwood logs	68.3	747	12.8	188	3,271
Sawn hardwood . . . . .	.....	.....	.....	.....	260
Sawn softwood	67.7	1,047	27.5	603	3,468
Manufactured softwood	10.0	214	1.5	46	285
	Pieces		Pieces		
Railway sleepers	198	274	.....	.....	439
Timber n.o.r. . . . .	.....	4	.....	3	68
Books, maps, paper and wood-pulp . . . . .	.....	1,941	.....	264	19,672
Books, music, newspapers, periodicals, etc. . . . .	.....	0.4	.....	5	2,304
	Quintals		Quintals		
Common printing and newsprint	182	1,404	20.0	193	4,284
Kraft paper	26	341	3.4	58	563
Paper n.o.r. . . . .	.....	35	0.2	3	977
Wood-pulp	24	153	.....	.....	284
Paperware and all articles made of paper, n.o.r. . . . .	.....	2	.....	3	1,529
Metals and ores . . . . .	.....	1,320	.....	826	28,404
	Kilos		Kilos		
Aluminium (not including foil)	692	395	621	432	1,073
	Quintals		Quintals		
Lead, pigs or bars	19.7	397	17.9	247	246
Zinc	24.5	443	6.3	89	411
Cereals and flour . . . . .	.....	746	.....	712	56,934
Cereals, n.o.r.	0.3	4	0.7	8	7,667
Flour of wheat	78.3	738	76.5	704	23,063
Chemicals and pharmaceuticals . . . . .	.....	188	.....	232	24,845
Sulphate of ammonia	36.0	176	24.3	205	8,190
Medicines, drugs, etc., n.o.r. . . . .	.....	6	.....	3	5,616
Fishery and sea products . . . . .	.....	378	.....	92	4,290
Salted herring	76.6	342	15.1	77	144
Machinery and tools . . . . .	.....	53	.....	31	24,403
Printing, bookbinding, and paper-making machinery and parts . . . . .	.....	46	.....	18	482
Machinery and parts n.o.r. . . . .	.....	6	.....	5	5,806
Vehicles and vessels . . . . .	.....	21	.....	18	14,762
	Units		Units		
Motor cars and buses (including chassis)	10	10	7	11	1,668
Motor tractors, trailers, and trucks (including chassis)	7	6	4	6	6,817
Animal products, canned goods, and groceries . . . . .	.....	31	.....	33	4,387
	Kilos		Kilos		
Cream and milk, evaporated	42.3	7	44.0	8.5	253
Milk food	11.5	6	1.2	0.7	362
Foodstuffs, canned or in any other packing, n.o.r. . . . .	.....	6	.....	10	1,191
Confectionery . . . . .	.....	3	.....	4	219
Macaroni, vermicelli, and similar products	20.5	4	20.5	6	17
Animal products and groceries, n.o.r. . . . .	.....	4	.....	3	513
Miscellaneous metal manufactures . . . . .	.....	59	.....	52.5	12,918
	Hundreds		Hundreds		
Needles, n.o.r.	3,897	12	67.0	0.2	63
Electric wire, insulated . . . . .	.....	12	.....	26	1,838

China's Principal Imports from Canada—Concluded

	1937		1938		Total all Countries
	Litres	G.U.	Litres	G.U.	G.U.
Wines, beers, spirits, table-waters, etc. . . . .	.....	6	.....	6.5	1,227
Whisky, in bottles	2.1	3	1.9	3.5	103
Wines, spirits, and beer, n.o.r. . .	.....	3	.....	3	263
Hides, leather and other animal substances . . . . .	.....	9	.....	10	1,937
Leather, n.o.r. (including coloured)	.....	1	.....	4	596
Fruits, seeds and vegetables . . . .	.....	4	.....	2	5,982
	Quintals		Quintals		
Fresh apples	0.08	1.5	0.004	0.1	249
Dyes, pigments, paints and varnishes	.....	17	.....	27	13,473
Sundry . . . . .	.....	326	.....	138	45,424
	Pieces		Pieces		
Motor-car tires	13	239	4	98	1,364
Musical instruments and parts or accessories . . . . .	.....	19	.....	8	87
Motor-car inner tubes	9	19	3	10	186
Toys and games . . . . .	.....	2	.....	3	195
Animals, living . . . . .	.....	15	.....	7	166
Building materials, n.o.r. . . . .	.....	0.5	.....	....	498
Imitation leather and oilcloth (not for flooring) . . . . .	.....	7	.....	0.002	104
Sporting requisites, n.o.r. . . . .	.....	0.5	.....	0.1	89
	Pairs		Pairs		
Rubber boots and shoes (inc. soles and heels)	1	0.5	.....	....	447
Rubber manufactures, n.o.r. . . .	.....	5	.....	1	355
Postal parcels, n.o.r. . . . .	.....	1	.....	2	1,549
Miscellaneous goods and sundries	.....	2	.....	3.5	30,902
Sundry goods carried in passen- gers' baggage . . . . .	.....	6	.....	0.6	997

The statistical record of China's imports from Canada during 1938 does not present an attractive picture, but actually the situation has many encouraging aspects. The fact that the statistical summary provided by the Maritime Customs does not in all instances give a true picture of the trade to China is to some extent in Canada's favour. Figures for items transhipped from Japanese ports and Hongkong, which were considerable during 1938 due to the hostilities, tend to further distort the true position and render Canada's showing even less favourable.

There is no doubt that business conditions in Shanghai and North China throughout the entire period have been exceptionally difficult from the standpoint of the foreign and Chinese importers, and many experienced observers expected 1938 to be much less favourable than it actually was. The burden has fallen chiefly on the small firms and individual importers, as the large organizations conducting a variety of activities have found that, although some lines of importations have been particularly poor, others have held up well, and exceptional profits have been made in some cases. The trade restrictions and exchange control measures, official and unofficial, imposed by the Japanese authorities in North China have made business for the importing firms much more difficult than in Shanghai, and the situation there is still uncertain and the future obscure. It naturally follows that peace must be restored before Canadian firms exporting to this market may expect a return to anything like normal business conditions, but when hostilities finally cease, those natural products from Canada which in ordinary times constitute about 90 per cent of the sales to China, namely, timber products, paper and pulp, metals and ores, and cereals, should be in good demand, particularly during the period of reconstruction. The market for softwood timber especially should be of considerable importance.

CHINA'S EXPORTS TO CANADA

The appended table shows the nine leading groups of exports to Canada from China for the years 1937 and 1938. Here again it should be noted that the statistics do not favour Canada, as China's total sales to the Dominion are really much greater than shown. Substantial quantities of China products such as wood oil, peanut oil, silk, tea, etc., reach Canada via the United States and the United Kingdom, and considerable quantities are shipped from Hongkong, which is an entrepôt for the export trade of China.

China's Principal Exports to Canada

	1937		1938	
	Quintals	1,000 Yuan \$	Quintals	1,000 Yuan \$
Total exports.....	....	7,091	....	3,675
Yarn, thread, plaited and knitted goods ..	....	1,619	....	1,718
Drawn thread work .....	....	153	....	258
Cross-stitch work and embroideries other than silk.....	....	1,026	....	899
Embroideries, silk .....	....	38	....	39
Lace and trimmings .....	....	401	....	533
Oils .....	....	1,898	....	186
Peanut oil	45,662	1,862	5,225	178
Wood oil	414	36	149	9
Walnuts.....	....	992	....	814
Walnut kernels	13,300	959	13,328	814
Walnuts in shell	1,400	32	....	....
Peanuts .....	....	1,020	....	323
In shell	1,700	24	2,994	46
Shelled	50,900	996	14,870	276
Textile fibres (silk) .....	....	4	....	7
	Pieces		Pieces	
Hides, leather, skins and furs .....	....	220	....	59
Skins, goat, dressed	3,750	8	50	0.2
Skins, lamb, dressed or undressed.....	630	3	2,520	11
Skin mats and rugs, goat.....	5,959	25	861	3
Skin mats and rugs, n.o.r.	29,600	134	4,120	25
	Quintals		Quintals	
Tea .....	....	250	....	54
Black tea, Congou	1,897	113	59	6
Black tea, other	62	8	26	2
Green tea, Gunpowder	939	99	317	32
Green tea, Young Hyson	163	17	115	10
Woollen carpets and floor rugs	511	313	250	159
Ores, metals and metallic products .....	....	81	....	20
Brassware	153	19	97	15
Metals and metallic products, n.o.r. ....	....	8	....	5

TARIFF CHANGES AND CUSTOMS REGULATIONS

Ireland

CONTROL OF IMPORTS OF WOOD SCREWS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by an order of the Executive Council of Ireland (Eire) dated June 6, 1939, a first quota period from June 26 to September 30, 1939, and quota has been fixed for wood screws which have a slotted head and tapered thread made wholly or mainly of iron, steel, copper, bronze, gunmetal, nickel, aluminium, or a combination of any of those metals, the total being 70,000 gross. Of this 69,000 gross is allocated to Great Britain or Canada; the remaining 1,000 gross may be imported from any other countries. Under this order the former duty of 75 per cent ad valorem full rate, no preference, has been abolished and substituted by quota. Quota licence must be secured by importers from the Department of Industry and Commerce, Dublin, before importation can be made.

New Zealand

TARIFF DECISIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised, include the following:—

Washing machines, specially suited for laundry use, including electrical wall plugs, switches, belting, and armoured piping imported therewith as fittings therefor, 20 per cent ad valorem if imported from United Kingdom, 30 per cent ad valorem if from Canada, 50 per cent ad valorem plus 22½ per cent of the duty if from any non-British country (item 353-6b). A previous decision admitting rotary washing machines, divided either horizontally or vertically into two or more compartments, free of ordinary duty (3 per cent ad valorem primage duty) if from United Kingdom or Canada, and 25 per cent ad valorem plus 22½ per cent of duty if from non-British countries, is cancelled.

Benzine drying tumblers (laundry machinery) free of ordinary duty (but 3 per cent ad valorem primage duty) from United Kingdom or Canada, 20 per cent ad valorem if from "most favoured nations," 25 per cent ad valorem plus 22½ per cent of duty if from other non-British countries (item 352).

Radial tiller, a rotary cultivating machine for deep tilling, free of ordinary duty (3 per cent ad valorem primage duty) from all countries (item 333-2).

Suedette sandals with rubber soles solutioned to the uppers, 20 per cent ad valorem if from United Kingdom, 20 per cent ad valorem plus 22½ per cent of duty if from Canada, 50 per cent ad valorem plus 22½ per cent of duty if from any non-British country (item 196-1).

Slipper soles and heels of felt, leather soles with wool sewn on for making slippers, 25 per cent ad valorem if from United Kingdom, 25 per cent ad valorem plus 22½ per cent of duty if from Canada, 55 per cent ad valorem plus 22½ per cent of duty if from any non-British country (item 196-2).

"Robe sets" for sale as a unit, consisting of fabrics cut into short lengths for "tops" and "skirts," whether plain or embroidered, but not otherwise fabricated, for the manufacture of apparel, 20 per cent ad valorem if from United Kingdom, 20 per cent ad valorem plus 22½ per cent of duty if from Canada, 45 per cent ad valorem plus 22½ per cent of duty if from any non-British country (item 184).

The following are added to the list of articles for use in the manufacture or repair of goods in New Zealand admissible under item 448, free of ordinary duty (3 per cent ad valorem primage duty) from all countries: felt coated cork sheets under ¼ inch in thickness to be used in making sock soles or cork insoles for boots; plaited and similar fabrics in the piece to be used in the manufacture of boot and shoe vamps; skotch wood fasteners, being metal stampings with spiked ends for joining boards and fastening corners of boxes.

Imports into New Zealand are at present regulated by licences issued by the New Zealand Department of Customs to importers.

Martinique and Guadeloupe

QUOTA ON TIRES AND TUBES

Mr. Hercule Barré, Commercial Attaché in Paris, cables that under a notice to importers published in France on June 17, 1939, Canada is allotted for the second half of 1939 a quota of 206 metric quintals of tires and tubes in Martinique and 110 metric quintals in Guadeloupe. These are the same allotments as in the first half of the year. One metric quintal equals 220·4 pounds. (See *Commercial Intelligence Journal* No. 1827: February 4, 1939, page 169.)

Guatemala

TARIFF ON MATCHES AND WAX VESTAS INCREASED

A Guatemalan executive decree, effective July 2, raises the rate of duty on matches and on wax vestas, in bulk or packaged, from 0·25 to 0·70 quetzal per kilogram (from 11 cents to 32 cents per pound), including the weight of the tin container. Individual boxes of matches must carry a printed label showing the country of origin of the merchandise and the number of units which they contain. They must also have a safety band covering both ends.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 26, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 26, 1939, and for the week ending Monday, June 19, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 19	Nominal Quotations in Montreal Week ending June 26	Official Bank Rate
Austria	Schilling	.1407	.....	.....	—
Belgium	Belga	.1001	\$.1704	\$.1705	3
Bulgaria	Lev	.0072	.0121	.0121	6
Czecho-Slovakia	Koruna	.0296	.....	.....	—
Denmark	Krone	.2680	.2095	.2095	3½
Finland	Markka	.0252	.0206	.0206	4
France	Franc	.0392	.0265	.0265	2
Germany	Reichsmark	.2382	.4019	.4021	4
Great Britain	Pound	4.8666	4.6925	4.6940	2
Greece	Drachma	.0130	.0086	.0086	6
Holland	Guilder	.4020	.5374	.5323	2
Hungary	Pengo	.1749	.2957	.2958	4
	Unofficial		.1961	.1963	—
Italy	Lira	.0526	.0527	.0527	4½
Yugoslavia	Dinar	.0176	.0227	.0227	5
Norway	Krone	.2680	.2358	.2359	3½
Poland	Zloty	.1122	.1886	.1886	4½
Portugal	Escudo	.0442	.0426	.0426	4-4½
Roumania	Leu	.0060	.0070	.0070	3½
Spain	Peseta	.1930	.1105	.1105	4
Sweden	Krona	.2680	.2416	.2417	2½
Switzerland	Franc	.1930	.2258	.2259	1½
United States	Dollar	1.0000	1.0023	1.0028	1
Mexico	Peso	.4985	.2007	.2008	3
Cuba	Peso	1.0000	1.0018	1.0023	—
Guadeloupe	Franc	.0392	.0265	.0265	—
Jamaica	Pound	4.8666	4.7025	4.7040	—
Martinique	Franc	.0392	.0265	.0265	—
Other British West Indies	Dollar	1.0138	.9777	.9779	—
			.2760*	.2761*	—
Argentina	Peso (Paper)	.4245	.3128	.3130	3½
	Unofficial		.2325	.2327	—
Brazil	Milreis (Paper)	.1196	.0607	.0608	—
	Unofficial		.0512	.0507	—
British Guiana	Dollar	1.0138	.9777	.9779	—
Chile	Peso	.1217	.0518	.0518	3-4½
	Unofficial		.0401	.0401	—
Colombia	Peso	.9733	.5736	.5738	4
Peru	Sol	.2800	.1704	.1705	6
Venezuela	Bolivar	.1930	.3107	.3109	—
Uruguay	Peso	1.0342	.6174	.6177	—
	Unofficial		.....	.3568	—
South Africa	Pound	4.8666	4.6812	4.6825	3½
Egypt	Pound (100 Piastres)	4.9431	4.8112	4.8125	—
China (Shanghai)	Dollar	.....	.1264	.1321	—
Hongkong	Dollar	.....	.2892	.2895	—
India	Ruppee	.3650	.3502	.3504	3
Japan	Yen	.4985	.2734	.2735	3.29
Java	Guilder	.4020	.5334	.5335	—
Siam	Baht (Tical)	.4424	.4300	.4302	—
Straits Settlements	Dollar	.5678	.5463	.5477	—
Australia	Pound	4.8666	3.7560	3.7550	3
New Zealand	Pound	4.8666	3.7700	3.7700	4

* Official buying.

The Dominion Bureau of Statistics has supplied the following note:—

Foreign currency rates strengthened fractionally in terms of the Canadian dollar during the week ended June 26. Premiums on United States funds stiffened from $\frac{1}{16}$ of 1 per cent on June 19 to $\frac{3}{16}$ on the 26th. Spot sterling rates, which had weakened to \$4.6926 on June 22, subsequently recovered to close at \$4.6940 for a net gain of 13 points. French francs closed at 2.6561 cents as compared with 2.6553 cents on June 19, while belgas rose 1 point during the week to 17.05 cents. Rates on the Netherlands florin, which had declined to a new 1939 low of 53.21 cents on June 21, subsequently recovered to 53.23 cents on the 26th for a net loss of 1 point on the week. At the close of the week the Shanghai dollar was quoted at 13.21 cents as compared with a low of 12.26 cents on June 21 and 12.64 cents on the 19th.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Fruits.....	255	Belfast, Northern Ireland..	Agency.
Butter.....	256	Valletta, Malta.....	Purchase and Agency.
Cheese.....	257	Valletta, Malta.....	Purchase and Agency.
Cheese.....	258	Belfast, Northern Ireland..	Agency.
Lard.....	259	Belfast, Northern Ireland..	Agency.
Hams.....	260	Belfast, Northern Ireland..	Agency.
Miscellaneous—			
Beachwear Fabrics.....	261	Bristol, England.....	Purchase or Agency.
Sun Glasses.....	262	Bristol, England.....	Purchase.
Luggage Tags, Leather.....	263	London, England.....	Purchase.
Rubber Footwear (Sandals)....	264	Bristol, England.....	Purchase.
Ice Hockey Skates.....	265	Brussels, Belgium.....	Purchase or Agency.
Refined Peppermint Oil.....	266	Hongkong.....	Purchase.
Materials for Manufacture of			
Paint.....	267	Laren, N. H., Holland.....	Purchase.
Gas Refrigerators (Domestic)....	268	Glasgow, Scotland.....	Purchase.
Newsprint.....	269	Dublin, Ireland.....	Agency.
Veneer for Box Manufacturing...	270	Parow, South Africa.....	Purchase.

Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to bind them with the Index at the end of each half-year.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Montclare, July 7 and Aug. 4; Duchess of York, July 14; Montrose, July 22; Duchess of Bedford, July 28—all Canadian Pacific; Antonia, July 14; Andania, July 28—both Cunard-White Star Line; Ornefjell, July 13; Vigor, July 27—both Fjell Line.

To London.—Beaverford, July 7; Beaverburn, July 14; Beaverbrae, July 21; Beaverdale, July 28; Beaverhill, Aug. 4—all Canadian Pacific; Ausonia, July 7; Alaunia, July 14; Aurania, July 21; Ascania, July 28—all Cunard-White Star Line; Harpefjell, July 12; Carmelfjell, July 26; Taborfjell, Aug. 9—all Fjell Line.

To Manchester.—Manchester Progress, July 6; Manchester Commerce, July 13; Manchester City, July 20; Manchester Regiment, July 27; Manchester Port, Aug. 3; Manchester Citizen, Aug. 10—all Manchester Line; Ornefjell, July 13; Vigor, July 27—both Fjell Line.

To Avonmouth, Bristol, Cardiff and Swansea.—Dakotian, July 15; Norwegian, Aug. 19—both Cunard-Donaldson and Dominion Lines; Boston City, July 8; New York City, July 26; Bristol City, Aug. 9—all Bristol City and Dominion Lines.

To Glasgow.—Letitia, July 7; Delilian, July 14; Athenia, July 24; Sulairia, July 28—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Bassano, July 13; Consuelo, Aug. 3—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnvalona, July 5; Cairnglen (also calls at Dundee), July 12; Cairnesk, July 26; Cairnmona, Aug. 2; Cairnross, Aug. 9—all Cairn-Thomson Line.

To United Kingdom Ports.—Brookwood, July 8; Windsorwood, July 20; Maplewood, July 20—all Constantine Line (will also call at Continental ports if sufficient cargo offers).

To Belfast and Dublin.—Fanad Head, Head Line, July 5 (also calls at Londonderry and Cork).

To Hamburg and Bremen.—Beaverdale, Canadian Pacific, July 28 (does not call at Bremen); Koenigsburg, North German Lloyd Line, July 14; Bochum, Hamburg-American Line, Aug. 11.

To Antwerp.—Beaverford, July 7; Beaverburn, July 14; Beaverbrae, July 21; Beaverhill, Aug. 4—all Canadian Pacific; Grey County, July 9; Lista, July 20; Brant County, Aug. 6—all County Line (also call at Havre); Harpefjell, July 12; Carmelfjell, July 26; Taborfjell, Aug. 9—all Fjell Line.

To Rotterdam.—Eastern Star, July 3; Lista, July 20; Hada County, Aug. 7—all County Line; Harpefjell, July 12; Carmelfjell, July 26; Taborfjell, Aug. 9—all Fjell Line.

To Norwegian Ports.—Ornefjell, July 13; Vigor, July 27—both Fjell Line; Idefjord, Norwegian-American Line, July 10.

To Scandinavian and Baltic Ports.—Blankaholm, July 8; Braeholm, Aug. 9—both Swedish-American-Mexico Line.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Olmo, July 13; Capo Noli, Aug. 1; Capo Lena, Aug. 19—all Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—Belle Isle (calls at St. John's and St. Pierre-Miquelon), Newfoundland-Canada SS. Ltd., July 14; Gaspesia, July 5 and 19; New Northland, July 10 and 24—both Clarke SS. Co. (call at Cornerbrook only); Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd., July 29 and Aug. 29.

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, July 8; Cornwallis, July 22; Chomedy, Aug. 5—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Lady Rodney, July 5; Cavelier (calls at Kingston only), July 14; Lady Somers, July 19; Cathcart (calls at Kingston only), July 28—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Ary Lensen, July 15; Maud, July 29; a steamer, Aug. 12—all Ocean Dominion SS. Corp.

To Buenos Aires.—L. A. Christensen, July 12; Tureby, Aug. 5—both International Freighting Corporation (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Port Montreal, Montreal Australia New Zealand Line Ltd., July 25 (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—City of Delhi, July 10; a steamer, Aug. 10—both Montreal Australia New Zealand Line Ltd. (also call at Napier).

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Rhexenor, July 21; Tawali, Aug. 24—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Cochrane (also calls at Free-town), July 20; Deido (also calls at Lourenco Marques and Beira), Aug. 5—both Elder Dempster Lines Ltd.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Corinth, July 2; City of Bedford, July 18—both Canada-India Service.

From Quebec

To Southampton.—Empress of Britain, July 8 and 29; Empress of Australia, July 18 and Aug. 3—both Canadian Pacific.

From Saint John

To Liverpool and Manchester.—Manchester Exporter, July 22; Manchester Brigade, Aug. 12—both Manchester Line.

To London, Aberdeen, Newcastle and Hull.—Kyno, July 4; Gitano, July 29—both Ellerman's Wilson Line; Mahseer (calls at London only), Cunard-White Star Line, July 6.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, July 5; Lady Drake, July 19; Lady Nelson, Aug. 2—all Canadian National.

To Kingston and Jamaican Outports.—Abangarez, July 5; Metapan, July 19; Zacapa, Aug. 2—all United Fruit Co.

From Halifax

To Liverpool.—Newfoundland, July 15; Nova Scotia, Aug. 3—both Furness Line.

To St. John's, Nfld.—Fort Amherst (also calls at Cornerbrook), July 3 and 17; Fort Townshend (also calls at St. Pierre), July 10 and 24—both Furness-Red Cross Line; Portia, Newfoundland Ry. and SS. Co., July 5 and 19; Magnhild, Newfoundland-Canada Steamships Ltd., July 10 and 24, Aug. 7 (also calls at St. Pierre and Newfoundland outports); Newfoundland, July 15; Nova Scotia, Aug. 3—both Furness Line.

To Kingston, Jamaica.—Cathcart, July 3 and 31; Cavelier, July 17—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, July 13; Lady Drake, July 27; Lady Nelson, Aug. 10—all Canadian National; Olympia, July 6; Ary Lensen, July 20; Maud, Aug. 3—all Ocean Dominion SS. Corp. (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, July 12; Cornwallis, July 26; Chomedy, Aug. 9—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillemor, July 12; Lillgunvor, July 28—both Pickford & Black Ltd. (also call at Jamaican outports as cargo offers).

To Far East Ports.—Silverteak, July 6; Silversandal, Aug. 6—both Silver Line; Malayan Prince, July 22; Chinese Prince, Aug. 21—both Furness-Prince Line.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, July 25; Hikawa Maru, Aug. 12; Hie Maru, Aug. 26—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai Hongkong and Manila.—Empress of Canada (calls at Honolulu), July 8; Empress of Russia (calls at Nagasaki), July 22; Empress of Japan (calls at Honolulu), Aug. 5; Empress of Asia (calls at Nagasaki), Aug. 19—all Canadian Pacific; Talhybius, July 3; Tyndareus, July 29—both Blue Funnel Line (call at Miike but not at Manila).

To Pacific Islands, Northern Group (New Britain, New Ireland, New Guinea, Papua, Solomon Islands, Gilbert Islands and Townsville).—Velox, Empire Shipping Co. Ltd., July 20.

To Honolulu, Suva, Auckland and Sydney.—Niagara, July 5; Monowai, Aug. 2—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia, Colombo and Bombay.—Hoegh Transporter (calls at Belawan Deli, will also call at Singapore, Port Swettenham and Penang if cargo offers), July 24; Hoegh Silverstar (calls at Saigon, Singapore, and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if cargo offers), Aug. 1; a vessel (calls at Belawan Deli, will also call at Singapore, Port Swettenham and Penang if cargo offers), Aug. 23—all Silver-Java Pacific Line.

To Papeete, Auckland, Wellington, Melbourne and Sydney.—Limerick (also calls at Lyttelton), July 19; Hauraki (also calls at Dunedin and Adelaide), Aug. 15—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne and Adelaide.—Parrakoola, July 10; Goonawarra, Aug. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Lochgoil, July 8; Delftdyk (also calls at Glasgow), July 22; Dinteldyk, Aug. 5; Lochavon (also calls at Glasgow), Aug. 19—all North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Lima, July 21; Balboa, Aug. 18—both Johnson Line.

To Antwerp, Hamburg and Bremen.—Oakland, July 8; Seattle, July 25; Tacoma, July 30—all Hamburg-American Line; Este, North German Lloyd Line, July 20.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—San Diego, July 15; Wisconsin, July 23; Oregon, Aug. 8—all Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Cellina, July 15; Leme, Aug. 12—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—Madoera, Silver-Java Pacific Line, July 8 (calls at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Hopecrest, North Pacific Shipping Co. Ltd., July 26.

To West African Ports.—Falsterbo, Jorgensen Shipping Company A/B, about July 10 (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi, and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., late July.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Hoyanger, July 26; Leikanger, Aug. 23—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

To Buenaventura and Guayaquil.—A steamer, North Pacific Shipping Co. Ltd., July (also calls at Mexican and Central American west coast ports).

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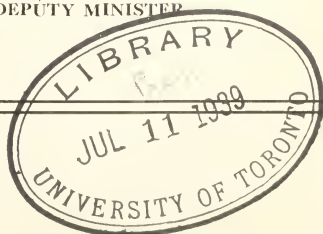
Ottawa, July 8, 1939

No. 1849



Part of the Fish Basin, Port of Gdynia, Poland

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, July 8, 1939

No. 1849

POLAND'S FOREIGN TRADE IN 1938¹

• B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

I

[The Polish currency unit, the zloty (zl.), is approximately equivalent to \$0.19 Canadian; one metric ton equals 2,204 pounds; one quintal equals 220.4 pounds.]

Berlin, May 12, 1939.—Now that Czecho-Slovakia has disappeared, Poland (including the Free City of Danzig) is Canada's chief market in Eastern Europe, that is to say, among those countries lying south of Scandinavia and east of Germany and Italy. It is true that the direct trade between the two countries has not been so far of great relative importance. According to Canadian figures, the Dominion imported Polish goods to the value of \$135,000 in the fiscal year 1927-28, \$85,000 in 1932-33, and \$244,000 in 1937-38, while exporting to Poland in the same years goods to the values of \$456,000, \$32,000, and \$739,000 respectively. These figures represented in 1938 only 0.03 per cent of Canada's total imports and 0.07 per cent of her total exports. Poland's latest statistics show Canada's share to be 0.1 per cent of total exports and 0.5 per cent of total imports. This situation is not unnatural, since both countries are largely exporters of temperate zone agricultural products, both are debtor countries requiring a favourable trade balance, and direct shipping connections between the two have never been extensive.

Nevertheless, the Polish market is of interest to Canada. It has, undoubtedly, taken in the past a larger amount and variety of Canadian products than the visible trade returns indicate. Some of these, such as sausage casings and apples, have reached Poland unchanged in form via other countries, chiefly Great Britain, Holland, Germany or Denmark, while certain raw or semi-manufactured products have been incorporated in the finished manufactures supplied to Poland by these and other countries.

Poland provides a good illustration of what has happened, and is happening, to Canada's trade with countries in continental Europe. Poland is one of the Dominion's lost flour markets. Out of total exports in 1927-28 from Canada to Poland valued at \$456,000, direct shipments of flour alone accounted for \$375,000. The value of this item declined to \$40,000 in 1928-29, and in the wave of agricultural protection which swept Europe thereafter it reached zero in 1935 and has remained so since.

Secondly, in the case of many other countries, though perhaps more strikingly than in most, the vanished flour exports have since been replaced by sales of metal employed largely for armament purposes. Exports of Canadian copper to Poland, which were nil from 1928 to 1933, increased from 1934 onwards until they represented \$600,000 out of total exports to that country in 1937-38 of \$739,000.

¹Part II of this report, covering Poland's trade with Canada, will be published in an early issue.

Thirdly, the Polish authorities found it necessary to follow the general European trend and to establish the now familiar machinery of exchange control, import licences, quota restrictions, and clearing agreements. As a result the possibilities for Canadian shippers are limited to those commodities for which the Canadian Government has been able to have quotas reserved by treaty. In this case the instrument is the Canada-Poland Convention of Commerce, which came into force on August 15, 1936. (Copies of this Convention and information concerning it, together with reprints of a report entitled "Trade with Poland: Points for Exporters," may be obtained on application to the Department of Trade and Commerce, Ottawa.)

Finally, Poland's whole economic position and her trade relations have been radically influenced by Germany's resurgence, and their future outlook is overshadowed by it and by the fear of war.

STATISTICS OF POLAND'S FOREIGN TRADE

The following table shows the trend of Poland's foreign trade from 1928 to 1938:—

Calendar Year	Imports		Exports		Trade Balance Millions of Zloty
	Millions of Quintals	Millions of Zloty	Millions of Quintals	Millions of Zloty	
	Quintals	Zloty	Quintals	Zloty	
1928.....	51.7	3,362	204.2	2,508	— 855
1929.....	50.9	3,111	210.4	2,813	— 298
1930.....	35.7	2,246	189.2	2,433	+ 187
1931.....	29.3	1,468	187.0	1,879	+ 411
1932.....	17.9	862	135.0	1,084	+ 221
1933.....	23.6	827	130.0	960	+ 133
1934.....	25.6	799	145.6	975	+ 176
1935.....	25.7	861	134.4	925	+ 64
1936.....	30.7	1,003	129.6	1,026	+ 23
1937.....	36.9	1,254	150.0	1,195	— 59
1938.....	33.1	1,300	156.0	1,185	— 115

The above figures show that since the low point of the depression (1934 in the case of Polish inward trade) imports have steadily increased, reaching a total value of 1,300,000,000 zloty, roughly \$247,000,000, in 1938. The volume of imports declined slightly from the 1937 figure but remained higher than for any other year since 1930.

The value of exports in 1938 showed a slight recession from that recorded for 1937, the total being 1,185,000,000 zloty, roughly \$225,000,000. In quantity, however, exports increased somewhat over the previous year, showing that the decline in value was due to lower prices. Both in quantity and value (except for 1937) exports were the highest since 1931.

MUNITIONS TRADE NOT INCLUDED

The outward and inward trade in manufactured munitions is not included in the Polish statistical returns. Up to 1937 Poland was exporting military equipment to certain countries, notably Spain and the Far East, but since then imports of this nature have probably greatly exceeded exports. Moreover, in the last two years, and more particularly in the one just past, a far larger share of the imports consisted of raw material, such as Canadian copper, required for rearmament. The effect of these purchases on the amount of foreign exchange available for what may be termed civilian imports needs no stressing and provides merely one more example of the way in which the trade, and indeed the whole national economy, of European countries is now subordinated to the dictates of national defence.

IMPORTS OF GOLD AND SILVER

The figures in Table I, above, refer to merchandise only. The inward and outward movement of gold and silver since 1931 is shown in Table II as follows:—

TABLE II
IMPORTS AND EXPORTS OF GOLD AND SILVER

IMPORTS AND EXPORTS OF GOLD AND SILVER											Balance +Excess Exports —Excess Imports
	Specie		Imports Bullion		Total	Specie		Exports Bullion		Total	
	Gold	Silver	Gold	Silver		Gold	Silver	Gold	Silver		
	Values in Thousands of Zloty										
1931..	13,461	6,494	10,780	1,454	32,189	22	60	86	912	1,080	— 31,109
1932..	138,270	1,224	7,009	499	147,002	3,869	10,828	219,591	190	234,478	+ 87,476
1933..	77,946	901	15,208	871	94,926	11,198	5,899	70,587	133	87,817	— 7,109
1934..	13,033	166	38,292	727	52,218	4,140	308	86	88	4,622	— 47,596
1935..	67,141	454	4,015	747	72,357	37,803	4,956	90,781	98	133,638	+ 61,281
1936..	25,892	2,458	493	7,128	35,971	3,001	7,638	43,565	78	54,282	+ 18,311
1937..	3,292	1,896	130,598	1,594	137,380	12,720	557	242	126	13,645	—123,735
1938..	148	4,622	2,684	1,997	9,451	19,584	242	61,822	125	81,773	+ 72,322

BALANCE OF PAYMENTS

Reference to this complex subject would come more properly in a treatment of Poland's economic position as a whole, but affecting as it does the outlook for the zloty and for the maintenance or relaxation of the existing exchange and other trade restrictions, it may be of interest to refer to it here.

The Bank Gospodarstwa Krajowego (National Economic Bank), Warsaw, published in January last a statement drawn up by the Polish Institute for Economic Research covering the country's balance of payments in 1936 and 1937. This showed a plus or positive balance of 39·4 million zloty, or slightly over \$7 million, in 1936 and of 135·8 million zloty, or roughly \$26 million, in 1937. Apparently the necessary data was not entirely available or could not be wholly reconciled, as otherwise the debit and credit sides of the statement would, of course, balance exactly. Neither is it clear whether the movement of munitions and military equipment (which, as previously mentioned, are not shown in the merchandise trade return) was taken into account.

No statement of the 1938 balance is yet available, but the probabilities are that it was considerably less favourable than in the preceding two years. As shown in Table I, the excess of imports, without taking into consideration the possibly appreciable import of military supplies, was 115 million zloty in 1938 as compared with 59 million zloty in 1937. And as shown in Table II, there was a net outward movement of gold and silver amounting to 72 million zloty in 1938 as compared with a net inward movement of 123 million zloty in 1937.

Moreover, the balance in 1937 was assisted by two favourable circumstances. One of these was the liquidation in cash and goods of the arrears of payments due to the Polish railways by the German railways, arising out of transit traffic across the Polish corridor. These frozen credits were reduced from 71 million zloty in 1936 to 34 million zloty at the end of 1937. The other favourable factor was the large French "defence" loan, amounting to 100 million zloty, roughly \$19 million. This was arranged in December, 1936, but its effects were felt principally in 1937. In the circumstances, it is surprising that the gold and foreign currency reserves of the Bank of Poland did not drop more than they did in 1938. At the close of the year they totalled 463 million zloty, roughly \$88 million, as against 471 million at the end of 1937—a decline of only 8 million zloty (\$1·5 million).

Taking everything into consideration, however, there is no ground for hoping that the Polish authorities will find it possible to relax in the near future the existing exchange and import restrictions. Indeed, in view of the prevailing tenseness of the country's political position and the probability that this will shortly become even more critical, it is possible that the present restrictions, or their operation, may become more stringent. For the time being, therefore, Canadian firms doing business with Poland or contemplating entering that market should exercise caution.

If Poland is able to carry out the plans which her Government has begun for modernizing and strengthening her economic organization, there will be scope for a wider commercial exchange with Canada.

DIRECTION OF POLAND'S FOREIGN TRADE

TRADE BY CONTINENTS

Poland's external trade has been to a large extent restricted to Europe. It still is, but efforts are being made, and with some success, to extend its range. As shown in Table III below, 97 per cent of Polish exports in 1928 went to European countries, which also supplied 77 per cent of the imports. By 1938 these percentages had decreased to roughly 85 per cent and 66 per cent respectively. While imports to North and South America, Asia, and Africa are still small, they have increased appreciably in a relative sense. A positive or plus trade balance obtains now with respect to Europe as a whole, while a negative or minus balance is recorded with all the other continental groups.

TABLE III

POLAND'S FOREIGN TRADE BY CONTINENTAL GROUPS

	Imports			Exports			Trade Balance		
	1928	1937	1938	1928	1937	1938	1928	1937	1938
	Per Cent of Total			Per Cent of Total			Millions of Zloty		
Total	100.0	100.0	100.0	100.0	100.0	100.0	-855	- 59	-115
Europe	77.1	63.9	65.8	97.3	80.0	84.5	-157	+154	+145
Asia	3.6	7.3	7.0	1.3	4.3	2.8	- 89	- 40	- 58
Africa	0.9	5.7	4.7	0.2	2.2	1.8	- 22	- 45	- 40
North America	14.2	12.4	12.7	0.8	8.5	5.4	-456	- 54	-100
Central America	0.3	0.7	0.6	0.0	0.3	0.3	- 9	- 5	- 4
South America	3.2	6.2	6.5	0.4	3.1	2.8	- 97	- 41	- 51
Oceania	0.7	3.8	2.7	0.0	0.1	0.1	- 23	- 46	- 35
Other (supplies to foreign vessels, etc.) . . . . .	....	....	....	....	1.5	2.3	....	+ 18	+ 26

TRADE BY COUNTRIES

Table IV below shows the value of Poland's trade with her principal buyers and suppliers for the years 1928, 1933, 1937, and 1938. The predominant positions held by Germany, Great Britain, and the United States, but especially by Germany (including Austria), will be noted. This is more clearly shown in Table V, wherein the trade exchanges for the years 1928, 1937, and 1938 are given in percentages. In these tables the countries are listed in the order of their importance in Poland's import trade for 1938, with the exception of Soviet Russia and Canada, which are unranked.

TABLE IV

POLAND'S FOREIGN TRADE BY PRINCIPAL COUNTRIES

	1928		1933		1937		1938	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
	Figures in Millions of Zloty							
Total	3,362	2,508	827	960	1,254	1,195	1,300	1,185
Germany	1,124	1,170	181	223	240	232	299	286
United States	467	19	110	16	149	101	158	63
Great Britain and Eire	313	227	83	193	150	221	148	216
Belgium	67	57	29	47	56	69	53	57
France	249	43	56	53	41	49	46	45
Sweden	70	110	17	48	37	75	45	71
British India (incl. Burma)	109	2	24	5	44	9	41	9
Czecho-Slovakia	213	296	36	48	44	52	41	43
Netherlands	139	78	29	54	58	61	37	54
Argentina	42	6	23	8	35	21	37	23
Italy	83	49	38	25	32	54	34	66
Australia	23	0.06	24	0.5	38	0.5	28	0.6
Switzerland	89	17	27	14	17	22	27	24
U.S.S.R.	39	39	18	60	15	4	9	1
Canada	9	0.5	0.2	0.6	6.3	1	5.9	1.4

TABLE V

Total	Imports			Exports			Trade Balance		
	1928	1937	1938	1928	1937	1938	1928	1937	1938
	Per Cent of	Per Cent of	Total	Per Cent of	Per Cent of	Total	Millions of	of	Zloty
	100	100	100	100	100	100	—855	—59	—115
Germany.. . . .	33.5	19.1	23.0	46.7	19.4	24.1	+ 46	— 8	—14
United States.. . . .	13.9	11.9	12.2	0.8	8.4	5.3	—448	—48	—95
Gt. Britain & Eire.. . . .	9.3	12.0	11.4	9.0	18.5	18.3	— 86	+71	+69
Belgium.. . . .	2.0	4.5	4.1	2.3	5.8	4.8	— 10	+13	+ 4
France.. . . .	7.4	3.2	3.6	1.7	4.1	3.8	—206	+ 4	— 2
Sweden.. . . .	2.1	3.0	3.5	4.4	6.3	6.0	+ 40	+38	+26
Br. India (incl. Burma)	3.3	3.6	3.2	0.1	0.8	0.3	—107	—35	—22
Czechoslovakia	6.3	3.5	3.1	11.8	4.3	3.6	+ 83	+ 8	+ 2
Netherlands	4.1	4.6	2.8	3.1	5.1	4.6	— 61	+ 3	+17
Argentina.. . . .	1.3	2.8	2.8	0.3	1.7	1.9	— 36	—14	—14
Italy.. . . .	2.5	2.6	2.6	2.0	4.5	5.5	— 34	+22	+32
Australia	0.7	3.1	2.1	0.0	0.1	0.1	— 23	—38	—27
Switzerland	2.6	1.4	2.1	0.7	1.8	2.0	— 72	+ 4	— 3
U.S.S.R..	1.2	1.2	0.8	1.5	0.4	0.1	..	—10	— 8.4
Canada.. . . .	0.3	0.5	0.5	0.0	0.1	0.1	— 8.5	— 5.3	— 4.5

EFFORTS TOWARDS MORE DIRECT TRADE RELATIONS

Polish business houses and associations, actively encouraged by the Government and by the banks, have been striving to effect more direct trade connections with the rest of the world. These efforts have met with some success and account partially for the relative decline since 1928 in the trade with certain major countries such as Germany and the increase in the case of others such as Argentina. The development of the new port of Gdynia, not only physically but with respect to financial and other commercial facilities, has greatly reduced, for example, the country's former dependence upon Bremen, so far as raw cotton imports are concerned. Of course, the lessened ability of German houses to finance this and other trades has been a factor also.

TRADING AGREEMENTS

Like all European countries, Poland was caught up in the mesh of restrictive bilateral trading and financing agreements which the world depression introduced. By 1938 such agreements (either quota, clearing or tourist, etc., or a combination of these) had been entered into with all important European states, except the Scandinavian countries, Belgium, Latvia, and the Netherlands (with the latter a quota agreement was signed covering the Netherlands East Indies), and with a number of extra-European countries.

AGREEMENT WITH FRANCE

The new commercial and navigation agreement signed with France in 1937 and brought into effect on January 1, 1938, was particularly welcomed in Poland because it specifically recognized the necessity of a debtor country having, in relation to its creditor countries, a positive or favourable trade balance. Under this agreement France, which has large investments in Polish railways and other undertakings, agrees to admit Polish goods to the value of 100 units for each 80 units of value imported by Poland from France.

TRADE WITH RUSSIA

As indicated in Tables IV and V, Poland's trade with her great eastern neighbour has been remarkably small since 1933. However, following the Munich agreement, trade negotiations were started between the two countries. These resulted in an agreement which it is hoped will make possible a reciprocal trade amounting annually to about 80 million zloty on each side. The exchange contemplated is Polish textiles, metal goods and heavy industrial products for

Russian iron, manganese, chemicals, and furs. This may reduce Canada's sales of furs to Poland.

EFFECT OF GERMAN EXPANSION

The serious implications which the German expansion of 1938 has for Poland's trade may be seen from the figures given below, which show the percentages of her trade with Germany, with the former Czecho-Slovakia, with Italy, and with the Danubian and Balkan countries. Czecho-Slovakia (apart from Ruthenia, which is of negligible importance) is now wholly under German control. The other countries referred to are feeling to a growing extent the effect of the German trade drive to the southeast. And what is of equal or greater importance, the railway connections between them and Poland are now almost completely controlled by Germany. This may easily be seen from a railway map of Europe. Unless they are carried the long way round by water through the Baltic and North Seas, the Atlantic, and the Mediterranean, Polish goods must come or go through Germany or through the former Czecho-Slovakian territories. Roumania is the only exception, but even in this case the most direct route is through what was Czecho-Slovakia and thence through Hungary, either by rail or by water along the Danube.

TABLE VI

POLAND'S TRADE WITH GREATER GERMANY, ITALY AND THE DANUBIAN AND BALKAN COUNTRIES

	Per Cent of Poland's Import Trade			Per Cent of Poland's Export Trade		
	1928	1937	1938	1928	1937	1938
Germany (incl. Austria)	33.5	19.1	23.0	46.7	19.4	24.1
Czechoslovakia	6.3	3.5	3.1	11.8	4.3	3.6
Total	39.8	22.6	26.1	58.5	23.7	27.7
Hungary	1.3	0.6	0.6	1.7	0.6	0.7
Yugoslavia	0.3	0.4	0.8	1.0	0.5	0.6
Bulgaria	0.2	1.2	1.5	0.1	0.7	1.3
Greece	0.1	0.9	1.1	0.1	0.4	0.8
Turkey	0.1	0.8	1.1	0.1	0.1	1.1
Italy	2.5	2.6	2.6	2.0	4.5	5.5
Roumania	1.1	0.7	0.8	2.2	0.9	0.7
Total	5.6	7.2	8.5	7.2	7.7	10.7
Grand total	45.4	29.8	34.6	65.7	31.4	38.4

The proportion of Poland's trade with these countries is less than it was before the world depression, but it increased appreciably in 1938 as against 1937 and now amounts to over one-third of her total foreign commerce.

POSITION OF DANZIG AND GDYNIA

When, after the Great War, Poland regained access to the sea, she was granted full use of the Port of Danzig, which was included within the Polish customs area, together with the territory of the Free City of Danzig. In 1923, however, the Polish Government decided to create a new port which would be entirely under their direct control. They chose Gdynia, which at the time was only a small fishing village, situated a few miles west and north of Danzig but outside the Danzig territory.

Development of the Port of Gdynia since 1923 has been remarkable. Starting from practically nothing in that year, it handled in 1938 nearly 1,300,000 metric tons of imports and over 7,400,000 metric tons of exports. The tonnage handled by Danzig in 1938 was 832,000 tons of imports and 5,150,000 tons of exports.

The following table shows the relative positions of the two ports since 1929. The figures indicate clearly the steady growth and present dominance of Gdynia at the expense of Danzig and of shipments via the land frontier:—

TABLE VII

PERCENTAGES OF POLAND'S TRADE HANDLED VIA DANZIG, GDYNIA, AND THE LAND FRONTIER RESPECTIVELY

Calendar year	Via Land Frontier		Imports Via Danzig		Via Gdynia		Via Land Frontier		Exports Via Danzig		Via Gdynia	
	Wt.	Val.	Wt.	Val.	Wt.	Val.	Wt.	Val.	Wt.	Val.	Wt.	Val.
1929.	65	73	31	26	4	2	56	73	33	24	11	2
1933.	55	49	15	15	30	36	25	46	35	30	38	25
1937.	38	35	22	8	40	58	18	34	34	26	48	40
1938.	36	39	25	8	39	54	19	36	33	24	48	41

IMPORTANCE OF DANZIG

Despite the relative decline in the importance of Danzig, the maintenance of its present status is highly desirable from the Polish point of view. It still handles 25 per cent of the weight and 8 per cent of the value of total imports and 33 per cent of the weight and 24 per cent of the value of total exports, its importance being greatest in the case of exports and in the trade in bulk commodities. Moreover it lies at, and so controls, the mouth of the Vistula, Poland's greatest river and main inland waterway, connecting Warsaw, the capital, with the sea.

POLAND'S CHIEF EXPORTS AND IMPORTS

The two appended tables (VIII and IX) show Poland's principal export and import commodities in the order of their importance in 1938 with comparative figures for 1928, 1933 and 1937. Extended comment is, therefore, unnecessary, but a few notes may be useful by way of amplification.

EXPORTS

Coal is Poland's largest single export and accounted for roughly 75 per cent of her exports by weight in 1938 and 18 per cent according to value. Her production of coal is exceeded in Europe only by the outputs of Great Britain, Germany, Russia, and France, and her exports only by those of Great Britain and Germany.

Wood and its manufactures make up the second most important export item which, in 1938 accounted for 17 per cent of the value of all exports. Poland ranks with Russia, Finland, and Sweden as a leading European exporter of forest products. Among manufactured wood products plywood and veneer have increased in importance during recent years and they are now exported to all parts of the world.

Another 18 or 19 per cent of the total exports consists of live animals (pigs, cattle, and geese) and animal products (ham and pork fillets in tins, bacon, eggs, butter, fresh and frozen meat, etc.). Details are shown in Table VIII.

MARKED INCREASE IN TINNED HAM EXPORTS

The development of the export of ham and pork fillets in airtight containers is one of the most noteworthy features of Poland's export trade and is, perhaps, one of the most remarkable recent instances of agricultural trade development in any country. Reference to Table VII shows that this trade, which hardly existed before 1933, totalled 172,000 quintals (17,200 tons) valued at 50 million zloty (\$9.5 million) in 1938, this item ranking third in importance among the country's exports.

GRAIN

Exports of barley, rye, seeds, peas and beans, wheat flour, and wheat together accounted in 1938 for a further 12 per cent of total exports.

MINERALS AND METALS

Apart from coal, Poland's exports of other mineral and metal products and manufactures thereof accounted during 1938 for another 10 per cent of all exports. The only ones of importance were: iron and steel; iron and steel tubes, sheets and wire; zinc; fertilizers; and manufactured machinery and electrical material to a value of slightly under \$2 million. Poland is the fourth largest world producer and exporter of zinc, ranking after the United States, Belgium, and Canada in this field.

OTHER EXPORTS

The several groups of commodities mentioned above accounted together for about 75 per cent of Poland's exports in 1938. It will be noted that with the exception of coal, of which Canada is a large importer, Poland's exports are very similar to those of Canada.

TABLE VIII
POLAND'S PRINCIPAL EXPORTS

	Volume				Value				Per Cent of Total in 1938
	1928	1933	1937	1938	1928	1933	1937	1938	
		Thousands of Quintals				Millions of Zloty			
Total	204,236	129,858	149,967	155,968	2,508	960	1,195	1,185	100.0
Coal	128,629	90,980	110,034	116,692	363	167	185	217	18.4
Wood and manufactures thereof .. .	48,877	17,135	16,931	16,879	589	152	199	201	17.0
Hams and pork fillets in airtight containers .. .	....	.....	192	172	....	....	60	50	4.2
Bacon	7	401	214	215	2	66	46	48	4.0
Barley	1,111	1,455	1,924	2,380	46	18	40	40	3.4
Pigs	1,279	107	230	266	208	12	29	40	3.4
Eggs	546	235	264	291	145	34	34	39	3.3
Iron and steel	318	1,463	1,168	1,570	10	34	28	36	3.0
Butter	110	16	81	132	66	4	19	32	2.7
Meat, fresh, frozen and salted	289	42	158	197	69	4	23	30	2.5
Zinc and zinc powder .. .	1,330	676	747	628	144	32	39	26	2.2
Textile articles, manufactured	88	61	78	51	70	32	40	23	1.9
Iron and steel tubes .. .	575	290	374	347	35	16	14	17	1.4
Yarn	34	40	24	23	46	22	18	16	1.4
Rye	71	3,662	745	1,082	3	39	16	16	1.3
Flax and flax waste .. .	162	56	177	114	17	3	20	14	1.2
Iron and steel sheets .. .	359	541	506	425	22	17	16	14	1.2
Seeds	308	302	157	147	47	27	14	14	1.2
Peas and beans	668	402	343	380	43	12	11	13	1.1
Sugar	1,858	1,139	522	846	102	19	8	13	1.1
Fertilizers	629	832	1,116	1,215	7	10	11	12	1.1
Machinery and electrical material .. .	37	31	37	42	9	9	8	11	1.0
Steel rails	263	437	535	393	8	10	13	10	0.8
Feathers and down .. .	21	13	21	20	10	6	11	10	0.8
Hides and skins, raw .. .	68	89	60	41	22	10	18	9	0.8
Coke	1,627	1,690	3,681	2,768	7	6	12	9	0.8
Benzol	138	96	164	196	8	5	7	8	0.7
Paper and paper wares .. .	145	105	140	99	10	6	8	8	0.6
Geese	1,239	1,250	849	934	11	5	5	6	0.5
Wheat flour .. . . .	.....	79	238	312	....	1	4	5	0.5
Paraffin	328	222	175	123	27	12	8	5	0.5
Horned cattle	3	2	19	16	4	1	7	5	0.4
Wire of iron or steel .. .	34	33	186	185	1	1	5	5	0.4
Malt	3	1	273	105	....	....	10	4	0.3
Fur skins	4	8	9	5	10	7	8	3	0.3
Wheat	21	419	101	132	1	8	3	3	0.3
Other goods	15,575	6,903	8,591	7,758	343	149	197	170	14.3

IMPORTS

The appended table shows Poland's principal imports in 1938 as compared with the preceding year, the depression year 1933 and the pre-depression year 1928. Textile materials, chiefly raw cotton and wool, constitute the largest import group. The noteworthy increase in 1938 in the second group, machinery and electrical equipment, is due to the purchases of equipment in connection with the Government's program for industrialization, which was initiated in 1937. This program, plus the armament requirements, is responsible also for the increased, or maintained, purchases of other groups, such as conveyances, ores, copper, rubber, iron and steel, and tin.

It will be noted that in many cases, the volume, i.e. the weight, of the imports in 1938 was greater, or relatively well maintained, as compared with earlier years, while the values show a lesser increase or a greater decrease. This is partly due to lower per unit prices, but the principal reason is the fact that Poland has consistently maintained the value of the zloty in contrast with general devaluation of other currencies.

TABLE IX
POLAND'S PRINCIPAL IMPORTS

	Volume				Value				Per
	1928	1933	1937	1938	1928	1933	1937	1938	Cent of Total in 1938
		Thousands	Quintals			Millions of Zloty			
Total..	51,654	23,565	36,851	33,101	3,362	827	1,254	1,300	100.0
Textile materials.. . .	1,254	951	1,165	1,205	558	186	262	223	17.2
Cotton and waste.. .	764	609	782	786	326	97	142	117	9.0
Wool and waste.. . .	172	215	229	267	181	79	107	96	7.4
Other..	317	126	153	152	51	9	13	10	0.8
Machinery and electrical equipment.. . .	818	88	230	397	391	58	118	193	14.8
Chemical and pharmaceutical preparations, colours.. . .	6,866	1,306	2,561	2,794	216	67	67	75	5.8
Conveyances (incl. rail-road locomotives, rolling stock, motor cars, airplanes and vessels)..	194	45	102	138	124	16	42	57	4.4
Scrap iron..	5,312	3,130	6,431	4,264	75	21	86	50	3.9
Tobacco and its products..	103	72	82	105	36	22	31	49	3.8
Hides and skins, raw	221	181	242	278	74	22	47	42	3.3
Fruits and berries, foodstuffs..	319	453	600	664	36	25	35	42	3.2
Fur skins..	31	28	27	34	64	24	37	38	2.9
Ores, slags and ashes	8,354	3,552	8,562	8,405	85	17	34	35	2.7
Copper and copper sheets..	112	78	179	269	32	8	29	33	2.5
Yarn..	73	24	32	33	157	26	31	32	2.5
Textile products, manufactured..	58	19	27	29	151	25	25	25	1.9
Paper and paper wares	706	338	563	409	67	22	26	23	1.8
Herrings, fresh and salted..	711	421	604	623	45	15	23	22	1.7
Coffee, tea and cocoa	154	169	145	164	71	28	23	21	1.6
Rags..	234	183	236	173	35	8	29	20	1.5
Seeds, oil seeds and copra..	307	817	454	563	20	24	18	18	1.4
Rubber, crude and washed..	19	34	61	80	13	4	16	15	1.2
Vegetable and animal fats and oils and preparations thereof	493	235	262	214	88	16	21	15	1.2
Pig iron..	73	31	109	55	4	2	7	11	0.8
Rice..	1,009	642	477	482	62	13	11	10	0.8
Hides or skins prepared; leather.. . .	41	7	6	5	101	14	11	10	0.8
Iron and steel.. . . .	113	190	331	308	8	5	10	10	0.8
Tin, technically pure	7	6	13	18	7	3	8	9	0.7
Other goods.. . . .	24,067	10,563	13,346	11,390	841	152	203	219	16.8

FEEDSTUFFS IN THE UNITED KINGDOM

A SURVEY BY CANADIAN TRADE COMMISSIONERS IN THE UNITED KINGDOM

II

FISH MEALS

Fish meal and fish residue meal are officially defined: "A product obtained by drying and grinding or otherwise treating fish or waste of fish, to which no other matter has been added." Whitefish meal is officially defined: "A product (containing not more than 6 per cent of oil and not more than 4 per cent of salt) obtained by drying and grinding or otherwise treating whitefish or waste of whitefish, and to which no other matter has been added." The limits of variation shall not operate so as to permit of the application of the name "whitefish meal" to an article containing more than 6 per cent of oil or more than 4 per cent of salt.

FACTORS AFFECTING USE

Fish meal has been found to be an extremely valuable feeding stuff when used in small quantities. Whitefish meal has been found especially valuable for growing pigs and feeding in laying mashers for poultry, and investigations by agricultural authorities in the United Kingdom have demonstrated that, if it is made entirely from the heads, bones, and flesh of whitefish, its use produces no taint in bacon, pork, milk, eggs, and chicken flesh. Herring meal, with its relatively high oil content, is still open to prejudice due to what is considered the risk of taint. However, the Herring Industry Board, in collaboration with the Ministry of Agriculture, initiated a scheme of feeding trials some time ago with a view to developing the domestic production and use of herring meal as a feedstuff by eliminating or reducing the danger of taint. It would appear that satisfactory progress is being made in these trials.

FACTORS AFFECTING SALE

Some general factors relating to production in the United Kingdom and in supplying countries are of sufficient importance to warrant a brief review at this point.

United Kingdom Production.—Domestic production of fish meals has steadily increased from 34,400 long tons (valued at £552,000) in 1930 to 51,600 tons (£689,000) in 1933, 67,800 tons (£897,000) in 1934, and 74,900 tons (£888,000) in 1935. In 1935 statistics of production were sub-classified to show a production of 1,400 tons (£11,000) of herring meal and 73,500 tons (£877,000) of other fish meal, mainly whitefish. In the same year separate statistics were also established to show the production of manufactured fertilizers, of which fish meal, guano, etc., but not bone meal, totalled 22,200 long tons (£108,000). While no later statistics are yet available, it is considered on good authority that the production of domestic fish meal has continued to expand.

The production of whitefish meal in the United Kingdom is centred largely at Hull, Grimsby, Aberdeen, London and some other points. Production has increased, probably doubled, in the last ten years, chiefly as a result of the development of filleting, particularly at Hull and Grimsby. Whereas a few years ago the fish was only cleaned, now it is filleted, leaving over fifty per cent of the weight available for conversion to by-products. Production has declined somewhat recently due to the new control of fisheries by the Government and to a certain amount of rationalization within the trawling business, particularly at Hull and Grimsby.

The United Kingdom is now a net importing country. Exports, chiefly to Germany, have declined continuously in the past few years. The domestic demand has enormously increased and, in addition, the domestic price is appreciably higher than the price obtained for export.

From the statistical point of view, supplies and requirements of the United Kingdom market are usually quite steady. Domestic producers always have fairly substantial stocks in the early summer, because the chief producing months are February to May inclusive, whereas the important months for selling are October to February inclusive.

The Trade Commissioner in Glasgow reports that Scottish consumption appears to be increasing. Glasgow importers have been interested for some time in Canadian fish meal; but until the last two or three years the trade in imported fish meal has been largely an entrepot trade, and the final destination of purchases made by Glasgow firms in many cases has been Holland or Germany. In spite of the fact that this entrepot trade has nearly vanished, Glasgow importers are still interested and are still buying small quantities of Canadian fish meal, which is at present being consumed in Scotland. It will be a difficult matter to increase the demand very greatly there because of the large production at Aberdeen. The Aberdeen producers have the advantage over Canadian of being able to supply small quantities at frequent intervals. For that reason, as well as on account of its high quality, Aberdeen fish meal enjoys high favour among Scottish users, and imported supplies are substituted only because prices are attractive.

In view of these general considerations it will be well to examine briefly the position in the chief countries of supply.

Norwegian Supplies.—In Norway the two fish meals which make up the principal production are cod and herring. Cod meal is manufactured from the heads and bones of fish prepared for the dried-fish market. When ground, these produce a woolly or flocky meal that is not liked in many markets. Annual production varies from 12,000 to 18,000 long tons. The chief market for this meal is in Germany; in addition, it is in increasing use in Norway for feeding foxes.

Herring meal forms the most important part of Norwegian production. There are two chief herring catches. The first is the North Coast catch from August to December. The North Coast herring meal is comparable with Icelandic and Alaskan and British Columbia herring meal, having 65 to 70 per cent protein, 8 to 12 per cent fat, and 1 to 3 per cent salt. Production is around 10,000 tons a year.

The second is the West Coast catch, which runs during the first three or four months of the year. This catch is sometimes very high, and may produce over 70,000 long tons of meal. A large proportion is usually shipped to Germany. The West Coast Norwegian herring meal has an analysis somewhat different from the North Coast meal. It has about the same range of fat percentage, but the protein is somewhat lower at 60 to 65 per cent, and the salt is much higher at 3 to 8 per cent. The high salt content has been due to the small productive capacity of the western factories, making it necessary to preserve the fish with salt until they could be processed. The modernizing of many factories is already changing this situation, and it is quite likely that in the course of a few years the West Coast catch Norwegian meal will no longer be inferior to the North Coast meal.

Icelandic Fish Meal.—In Iceland both cod and herring meal are produced. The cod meal is produced from the heads and bones of wet-salted and air-dried fish and is flocky like the Norwegian. The production is small in comparison with the Norwegian output, being about 5,000 long tons a year.

The herring season in Iceland is annual and runs from late June to middle August or September. This catch began to assume importance about eight or ten years ago. It has had an outstanding development and promises to continue. The 1937 catch produced about 32,000 long tons of herring meal.

Iceland is able to sell fish meal in Norway because the latter country itself uses about 30,000 tons annually of the low salt-content meal, and in the past two years or so has not produced that quantity. The greater part of Norwegian production is of the high salt-content West Coast variety, which Germany and other continental markets are willing to use.

The sale of Icelandic herring meal is controlled by the Government, which itself owns a number of the factories and manufactures over half of the total production of Iceland. Control is exercised by the issue of export licences through a committee which publishes its prices from time to time.

German Imports and Output.—Until recent years Germany was the chief importing country of the world, taking around 120,000 long tons a year of every kind of fish meal. Government policy during the last few years has brought about a drastic change in marketing conditions in Germany. The price is now fixed by the administration, leaving no latitude for negotiation between seller and buyer. It was thus fortunate for Icelandic producers in 1937, for example, that, while Germany was not buying, the production in Norway was so low as to permit Iceland to sell fair quantities to Norway.

Germany is increasing its own production of fish meal and German production affects the world market position by its effect on the quantity of meal which Germany will import. Up to a few years ago German production aggregated about 25,000 to 30,000 long tons. It is reported that this production has been doubled, but definite information is not available.

Japanese Production.—Japan is possibly the largest producer of fish meal in the world, the production of sardine scrap, as far as can be ascertained, having reached the colossal figure of nearly 600,000 tons. The greater part of this production is very crude, being nothing more than sun-dried sardine scrap. As yet it has not materially affected world markets because it is apparently used principally as fertilizer in the rice fields, and even in the best years export has not exceeded some 10 per cent of production.

During recent years rendering plants have been installed in Japan to produce sardine meal similar to Canadian and Californian pilchard meal. A certain amount of selected scrap is milled into meal and finds its way to the Pacific coast of the United States, and also to the Atlantic coast and to Europe. During the last two years, owing to restriction of imports into Japan and the loss of supplies of oil cakes from China, Japan has been compelled to use a larger part of domestic production.

United States Supplies.—United States production, including that of Alaska, may not reach the figures of former years due to limitation of permits. In addition, the new measures of control over production of sardine fishing, reported in the fall of 1938, may be expected to decrease the amount of sardine or pilchard meal available from California.

The production of whitefish meal on the United States Atlantic coast is of small proportions and is taken up locally. It is understood that the same situation frequently applies to menhaden.

IMPORTS OF FISH MEAL INTO THE UNITED KINGDOM

The factors affecting the sale of fish meals, discussed in the foregoing paragraphs, are directly reflected in the following table of imports of fish meal into the United Kingdom in 1936, 1937, and 1938. Quantities in this table are in tons of 2,240 pounds and the figures cover fish meal imported as feedstuff, there being no apparent importation for fertilizer:—

	1936		1937		1938†	
	Tons	£	Tons	£	Tons	£
Total fish meal	7,797	76,533	7,065	79,274	12,312	150,372
Herring meal:						
Total	1,457	13,888	2,750	32,023	4,176	51,233
Norway	643	5,800	1,132	13,591	3,126	39,108
Iceland	527	5,092	1,178	13,273	484	5,401
Canada	223	2,242	415	4,868	566	6,724
Others	64	754	25	291	....	....
Other fish meal (including whitefish, pilchard, etc.):						
Total	6,340	62,645	4,315	47,251	8,136	99,139
Canada	5,050	51,049	2,930	32,381	5,531	69,035
Japan	*	*	724	8,544	1,297	15,285
India	*	*	483	4,455	824	8,755
South Africa	*	*	*	*	310	4,076
United States	700	6,417	49	540	100	1,283
Portugal	*	*	79	848	21	213
Others	590	5,179	50	483	53	492

* Figures for these countries are included under "others" which, except where indicated in 1936 and 1937, refers to such countries as the Netherlands and Norway as well as New Zealand, Germany and Belgium.

† Preliminary statistics.

REQUIREMENTS

Oil Content.—Without any doubt the factor which most affects the sale of fish meal as a feeding stuff is the content of oil. There appears to be little association in the minds of many consumers between oil content and feeding value, but there is a definite feeling that the higher the oil content the greater the risk of taint. In addition, publicity of United Kingdom manufacturers and of the Ministry of Agriculture and Fisheries has laid emphasis on low oil content in fish meal to make it suitable for feeding purposes. A typical analysis of United Kingdom whitefish meal is: albuminoids (protein), 65 per cent; phosphoric acid, 8.24 per cent; oil, 3 per cent; salt, 3 per cent. The average domestic whitefish meal is sold on a maximum of 3 or, at most, 4 per cent oil. Regardless of any opinion to the effect that 4 per cent is lower than necessary, there is little likelihood of any early official action to change the percentage. Other types of fish meal which are used for feeding purposes are expected by the trade to qualify on a similar basis. This applies particularly to pilchard meal. It is also one of the reasons why salmon and greyfish (dogfish) meals, with their high content of about 12 per cent oil are not extensively used at present as a feeding stuff.

General Conditions.—Pilchard meal is not always easy to sell in competition with the less oily domestic meal, but it has, nevertheless, made for itself a useful place. It has done so at the cost of a lower price than prevailing for United Kingdom whitefish meal, because buyers are always looking for a product similar to whitefish meal but cheaper. The market for pilchard meal has been built up with difficulty and it holds good promise of becoming more and more important to the Canadian industry. The problems affecting its sale in the United Kingdom should not be complicated by lack of continuity of supplies.

As for Canadian whitefish meal, without doubt there is a considerable outlet for it in the United Kingdom. A much larger business could be done than is usually completed if Canadian producers were able to see their way to making the additional supplies available.

The market for Canadian herring meal is not so open as for whitefish and pilchard meal, due to the problem of higher oil content and to direct competition with the large supplies from Norway and Iceland. There will always be a fair demand for Canadian herring meal, but prospects would be infinitely brighter if Canadian producers could adapt their processes to the manufacture of a meal with an oil content (by United Kingdom method of analysis) of 6 per cent or not more than 7 per cent.

Similarly, other fish meals, such as greyfish and salmon, would find a much readier sale if oil content were reduced and, particularly, if some inexpensive method of bleaching or otherwise improving the colour were developed. The dirty grey of the former and the pink of the latter show up oddly in feed mixes and arouse dislike.

Analysis.—Analysis must be on the same basis and by use of the same method as applied in the United Kingdom. The official method, which should be observed in every particular, is quoted in full at the end of this report. Sampling and analysis should be carried out by reliable and independent authorities; under no circumstances should exporters permit this work to be done by their own employees for purposes of incorporation in a commercial certificate.

Protein and Salt.—The minimum protein content requirements are: herring meal, 70 per cent; whitefish, 60 to 70 per cent; pilchard, 65 to 68 per cent; greyfish (dogfish), 70 per cent; and salmon, 55 to 60 per cent. The law sets the maximum content of salt at 4 per cent.

Grinding.—Fine grinding is most desirable; in fact, the finer the better. Coarse grinding may create the impression that the meal is in need of re-grinding. Fine grinding also tends to improve the consistency of the meal by assisting in making it more regular and even in composition, as well as texture, thereby obviating some difficulties arising from analysis.

Basis of Business.—Purchases are based on samples and analysis. Packing is usually required in new bags of 112 pounds gross. Shipments are in lots of 25, 50 to 100 tons.

Samples.—It is important that separate sets of samples be taken and separate analyses made for each shipment to this market, regardless of the meal having been produced at one mill or being sold to one buyer. Each shipment must stand on its own merits. Group analyses covering several shipments, even to the same buyer, are not satisfactory, because irregularity of quality may appear in one or more of the shipments.

FUTURE OF THE TRADE

In general, it may be said with reasonable assurance that the use of fish meals will gradually extend. As it is improbable that domestic production will expand more quickly than consumption, importation may be expected not only to continue but to increase. With a tariff preference for Empire meals there should be an increasing demand for Canadian meals; whitefish first, but also pilchard and, with the required reduction of oil content, for herring and possibly others. With the assistance that the United Kingdom Government has announced for agriculture it is possible that the extension in use of fish meals may be quickened. Certainly there appears every reason for Canadian producers to pay detailed attention to the market, particularly to continuity of supply and, if at all possible, to reducing oil content and improving colour. Technical processes should not be permitted to lag.

MEAT, BONE, AND BLOOD MEALS*

Feeding meat and bone meal is officially defined: "The product, containing not less than 40 per cent of albuminoids (protein) and not more than 4 per cent of salt, obtained by drying and grinding animal carcasses or portions thereof (excluding hoof and horn) and bone, to which no other matter has been added." Feeding meat meal is officially defined: "The product, containing not less than

* This section and the subsequent paragraph on dried milk have been written in collaboration with the Animal Products Trade Commissioner, Canada House, London, S.W.1, and inquiries should be directed to him.

55 per cent of albuminoids (protein) and not more than 4 per cent of salt, obtained by drying and grinding animal carcasses or portions thereof (excluding hoof and horn), to which no other matter has been added." The limits of variation shall not operate so as to permit of the application of the names "feeding meat meal" and "feeding meat and bone meal" to articles containing less than 55 per cent and less than 40 per cent of the albuminoids (protein) respectively.

Feeding bone flour is officially defined: "The product obtained by grinding commercially pure steamed bone." Feeding bone meal, ground bone, or any other bone product for feeding purposes come within this definition: "Commercially pure bone, raw or degreased, which has been ground or crushed"; while that for feeding dried blood is: "Blood which has been dried, to which no other matter has been added."

FACTORS AFFECTING USE

Pure meat meals, containing no bone material, e.g. 70 to 80 per cent protein, 6 to 12 per cent fat, and a low percentage of mineral matter, must be aided by feeding minerals. The ordinary commercial meat meal, however, usually contains about 60 per cent protein and 20 per cent mineral matter (see definition above), and is found entirely satisfactory. So is the feeding meat and bone meal. Brands of both, containing not more than 3 or 4 per cent oil, are available from domestic manufacturers.

There is an increasing production of domestic meals of analysis similar to imported meals. So far as separately recorded, the production of meat meal in 1935 amounted to 14,500 tons valued at £118,000, but during the past two years there has been a considerable advance in the quality as well as quantity produced, largely owing to the installation of new plant.

IMPORTS

Importations of meat, meat and bone, and bone meals are extensive and are mainly from New Zealand, Argentina, the Falkland Islands and Uruguay and Australia. In 1937 a separate classification for the imports of meat meal was provided in the import statistics. Imports of meat meal (including whale meat meal) totalled 9,606 tons valued at £118,721 in 1937, and 27,306 tons valued at £271,089 in 1938, when part of the increase came from the whale fisheries. No separate statistics are available as to imports of bone and blood meals for feeding.

ANALYSIS REQUIREMENTS

There is a great variety of meat meals on the market, the variety being indicated to a large degree in the analyses. One of the more common analyses, representative of a high-grade meal, is as follows: protein minimum, 60 per cent; fat maximum, 10 per cent; and phosphoric acid maximum, 8 per cent. Another common one is: protein minimum, 57 per cent; fat maximum, 12 per cent; phosphoric acid maximum, 10 per cent. Still another has these percentages: protein minimum, 55 per cent; fat maximum, 7 per cent; phosphoric acid maximum, 7 per cent. It is essential to remember that the regulations under the Feeding Stuffs Act do not permit the use of the name "feeding meat meal" if the protein content falls below 55 per cent. In other words, when the content is below 55 per cent protein, the material will be described as "feeding meat and bone meal."

Meat and bone meals are purchased on the basis of guaranteed minimum protein content of 50 per cent, 45 per cent, or 40 per cent, and of guaranteed maximum content of fat and phosphoric acid in proportion.

Bone meal for feeding purposes must be guaranteed sterilized, and is sold with between 30 per cent and 39 per cent protein and guaranteed maxima of fat

and phosphoric acid. Bone meal of 40 per cent or more protein would be classifiable as meat and bone meal.

Feeding blood must have a minimum protein content of 80 or 85 per cent. The moisture content will ordinarily average between 8 per cent and 11 per cent. It is advisable to state the moisture content, although it is not ordinarily essential to do so. In any event, the moisture content should not exceed 12 per cent. In each case impurities are not entertained and the content of salt must not exceed 4 per cent. Every effort should be made to avoid inclusion of hair and other extraneous material, and of vomit, particularly in the case of blood meal. Lumpiness, due generally to high moisture or fat content, should also be avoided.

Colour.—The main essential regarding colour is that it be regular. Irregularity of colour creates the impression of variable quality. Meat meals are preferred as light in colour as possible; bone meals should be light grey to white; blood should be dark, nearly black.

Grinding.—The grinding should preferably be uniform and should definitely be fine. Meat meals and blood are expected to pass a sieve of $\frac{1}{16}$ -inch mesh; white bone meals should pass a $\frac{1}{12}$ -inch mesh.

Packing of each is required in new bags of 112 pounds gross weight. The United Kingdom is open to purchase of any tonnage; shipments are usually of not less than 25 long tons.

Grain Meals and Offals

GRAIN

The grain trade is of such long standing and so extensive in its ramifications that a discussion at this time is hardly necessary, even if space were to permit. Further, importations are on a tremendous scale, and for such diverse purposes that it is impossible to segregate the quantity destined for any one use. Imports of wheat total over 100,000,000 cwts. (of 112 pounds) valued at more than \$200,000,000 annually. Barley imports exceed 18,000,000 cwts. valued at some \$30,000,000. Imports of oats, even in recent years, amount to upwards of 2,000,000 cwts. valued at about \$3,000,000 a year; and maize imports total 70,000,000 cwts. valued at over \$80,000,000.

This tremendous volume of grain, of course, is primarily intended as food for human consumption; but in its preparation large quantities of by-products are derived. These find their principal market as feedstuffs for animals, being used either as they come from the mill or blended with other feeds. In addition to the grain imported there is, of course, a large domestic production of grain. The latter is consumed as food and feed and gives rise to an even greater proportion of feed than does the imported grain, due to the screenings.

Wheat in the grain is not used for feeding to anywhere near the same degree as it is in Canada. It is too expensive in comparison with other equally efficient foods. Oats are largely used, their well-balanced composition making them suitable and safe for most animals and their cost being within the limits of many buyers. Although usually regarded as less suitable for hogs than other grain because of their high fibre content and because cheaper foods serve as well or better, oats when ground have given satisfactory results in the rations of bacon hogs. Feeding barley has been found especially suitable for feeding hogs and is used mostly for that purpose. It is also used occasionally for horses and, mixed with cotton or other cake rich in protein, has been found excellent for sheep. Maize finds many industrial uses but it is also a valuable feedstuff. Buckwheat is used in very small amounts.

GRAIN MEALS

The grains are fed in fair quantities in the form of meals of various types and grades. The supplies of many of these are ground almost entirely in the United Kingdom. Examples are barley meal and wheat meal, the importations of which are very limited.

DOMESTIC PRODUCTION OF GRAIN FEEDS

It is of interest at this point to note a few particulars of the domestic production of feedstuffs from grain as indicated in the Census of Production for 1935.

Wheat products amounted to 5,647,000 long tons valued at £46,171,000. The main item was meal and flour, which accounted for 4,043,000 tons and was worth probably about £36,000,000. The remaining items, practically all feedstuffs, included sharps and middlings, 865,000 tons; bran and pollard, 700,000 tons; cut and kibbled wheat, 12,000 tons; rolled and flaked wheat, 5,000 tons; other by-products, 22,000 tons. These items had a total value of about £10,000,000.

Oat products totalled 94,600 tons valued at £1,048,000. They included oatmeal, 41,100 tons; groats, rolled oats, etc., 26,800 tons; and by-products, 26,700 tons. In addition, crushed oats were produced to the total of 81,300 tons valued at £610,000.

Barley products amounted to 254,700 tons valued at £1,698,000 and included meal and flour, 249,300 tons valued at £1,619,000; and pearled barley, 5,400 tons valued at £79,000.

Maize products, not including starch, totalled 1,659,300 tons valued at £8,601,000 and comprised these items: flaked maize, not for human consumption, 642,100 tons valued at £3,427,000; flaked maize for human consumption, 15,200 tons at £123,000; and meal, flour, and other milled products of maize, 1,002,000 tons at £5,051,000.

Rice products aggregated about 81,600 tons valued at £893,000, mainly for human consumption but with some by-products and screenings.

BARLEY MEAL

Barley meal is sold in two grades: No. 1, which is 96 per cent pure barley; and No. 2, which is 90 per cent pure. These grades are the basis of all sales, in which a guarantee of purity is required. The colour must be as white as possible and the grinding fine. Sales are usually based on sample. Imports over a period of years have averaged about 20,000 cwts. valued at about £6,000 annually, but have declined consistently to 8,285 cwts. valued at £3,428 in 1938.

MAIZE MEALS

The official definitions for maize meals are as follows:—

Maize and Indian meal: "The meal obtained by grinding commercially pure maize or Indian corn, as grown." Flaked maize: "The product obtained by cooking and flaking commercially pure maize or Indian corn, either as grown or from which the germ, in whole or in part, has been removed." Maize germ cake or meal: "The residue resulting from the removal of oil from maize germs, to which no other matter has been added." Maize gluten feed: "A by-product resulting from the removal of starch and germ from maize, to which no other matter has been added."

Maize is pre-eminently a fattening food, although it can be used successfully for working and milking animals when its deficiency in protein and ash is appreciated. The commercially steamed grain, rolled into thin flakes and dried,

has been found high in respect of digestibility and feeding value, being a highly concentrated and digestible carbohydrate feed.

Gluten meal is a maize by-product which is separated in the manufacture of glucose for brewing; it is very rich in protein. Gluten feed is somewhat similar but contains less protein.

Importations of meal and other milled products of maize (not including edible starch) reach substantial proportions and were particularly heavy in 1937. The following table shows the quantities and values of imports in 1936, 1937 and 1938:—

Imports of Meal and Other Milled Products of Maize

	1936		1937		1938*	
	Cwts.	£	Cwts.	£	Cwts.	£
Total	1,990,545	898,422	4,509,311	1,855,881	2,983,845	1,242,009
South Africa.. . . .	1,443,365	321,192	4,203,318	1,325,983	2,713,523	833,355
Canada.. . . .	200,163	479,410	206,592	488,902	137,915	352,951
Belgium	95,330	33,704	42,731	20,590	64,681	30,820
France.. . . .	173,601	39,865	9,337	2,986	125	51
Argentina.. . . .	13,886	3,784	11,625	3,250	3,890	1,010
United States.. . . .	2,720	1,462	2,494	2,006	43,836	18,300

* Preliminary statistics.

The colour of maize meal should be a good yellow and the consistency fine. It is purchased in minimum lots of 25 tons but more frequently in large quantities, packed in bags of 112 pounds. Sales are usually based on samples.

OAT MEALS AND FEEDS

Oatmeal and rolled oats for feeding require no analysis but should be of good colour, well kiln-dried, and free from husk, foreign seeds, and other extraneous material; a "nutty" flavour is desirable. Oatmeal is usually sold in the grades pinhead, medium and oat-flour; rolled oats are described as of large or small flake. Oatmeal is generally purchased in bags of 140 pounds, while rolled oats are generally in bags of 112 pounds. Rolled oats are intended primarily for human consumption, and only the poorest and cheapest grades are used as feedstuffs. Oatmeal, however, while also intended principally for human use, finds a fairly extensive sale as chicken feed.

Ground oats, as the name implies, are low-grade oats ground whole for feed. Oatfeed consists largely of oat husk, broken grains, screenings, etc., ground to an even and fine consistency. Both are used principally as poultry feed and no analysis is ordinarily expected. Packing is in bags of 112 pounds or 140 pounds, and shipment is in minimum lots of 25 long tons. Oatmeal importations have fluctuated greatly, but the trend in recent years has been downward, from 294,858 cwts. valued at £154,845 in 1931 to 54,983 cwts. valued at £33,309 in 1938. The quantity from Canada has suffered less decline than that from any other country, and for several years practically the entire amount has been supplied by Canada.

The importations of other oat products, including groats and rolled oats, have been increasing again, amounting in 1938 to 544,627 cwts. valued at £740,071. Canada is the only supplying country of any importance in this trade at the present time.

RICE BRAN OR MEAL

Rice bran or meal is officially defined: "The by-product produced in milling shelled rice, to which no other matter has been added." Rice meal is most variable in composition; it may contain a high percentage of digestible protein and oil, or may be full of indigestible fibre. Analysis is therefore very important. The usual requirements are: protein minimum, 12 per cent; fibre maximum,

8 per cent; oil, about 11 per cent. The colour is grey-white and the grinding must be fine and even. Purchases are usually based on sample.

Rice meal and dust are imported almost entirely from rice-producing countries. The total importation in 1937 amounted to 310,743 long tons valued at £1,629,391, and was supplied mainly by Burma.

WHEAT OFFALS

Wheat offals, or millers' offals, are officially defined: "A product of wheat separated in the process of milling and containing not more than 4 per cent of vegetable substances, other than wheat, extracted from wheat in the process of cleaning by the maker of the offals in the production of flour." Under the United Kingdom Wheat Act, 1933, "wheat offals" means the residual products which in the process of milling wheat are extracted therefrom as germ or for animal or poultry food." Subsection 2(b), section 20, of the same Act is of importance: "If in any parcel containing substances produced by the milling of wheat the weight of those substances, other than wheat offals, does not exceed $7\frac{1}{2}$ per cent of the weight of the parcel, the parcel shall be deemed not to contain flour." In other words, if middlings, etc., contain over $7\frac{1}{2}$ per cent of the products of milling, other than wheat offals (i.e. flour), then the parcel shall be deemed to be of flour and will be assessed import duty accordingly.

However, the Wheat Act is up for amendment at the time of writing and, if the bill is passed in its present form, the basis of differentiation between wheat flour and wheat offals will be changed. According to subsection 3(b) of section 4 of the bill, the definition will be "wheat offals", that is to say, any milled wheaten substance destined for live stock that has an ash content (standard basis) exceeding two and two-sevenths ($2\frac{2}{7}$) per cent, other than a substance from which it would be practicable to separate a part which would have an ash content (standard basis) of two per cent or less and the wheaten content of which would weigh more than three-tenths ($\frac{3}{10}$) of the weight of the wheaten content of the substance."

In other words, it may be expected that if the ash content of the substance produced from milling wheat does not exceed 2 per cent then the substance is flour and will be chargeable with the full wheat quota payment accordingly, while wheaten substances with ash content of 2 to 2.7 per cent will also be chargeable pro rata, but any wheat product containing more than $2\frac{7}{10}$ per cent ash content is definitely wheat offal and not subject to quota payments.

TWO CLASSES

Wheat offals or wheat feed manufactured in the United Kingdom are divided into two classes, fine and coarse offals. The fine offal is known under a variety of names such as sharps, middlings, thirds, parings, boxings, etc. Coarse offal consists chiefly of bran. There is no statutory definition, but the Feeding Stuffs Act of 1926, by requiring the amount of fibre in the statutory statement (for domestic sales), provides an indication as to whether any parcel of material is fine or coarse. The members of the National Association of British and Irish Millers, Ltd., have agreed that no offal should be described as fine offals if carrying a declaration of fibre content higher than 6.75 per cent; to this percentage the Act allows a variation of $12\frac{1}{2}$ per cent, so the dividing line used by the association becomes 7.5 per cent. The term "weatings," which is obtaining common usage, is a registered name for fine offals (guaranteed not more than 5.75 per cent fibre) and superfine (guaranteed not more than 4.5 per cent fibre) sold by members of the Millers' Mutual Association and may be used only by members of that association.

In the annual statement of trade of the United Kingdom, importations of wheat offals are listed under the heading "cereal by-products," with sub-headings, bran and pollard, sharps and middlings. The import statistics are compiled from particulars furnished by importers, who are required by law to give in their Customs entries full particulars of the goods imported by them. In these cases the descriptions shown above are deemed sufficient for the purposes of statistical registration. Although the description "shorts" is not met with in Customs documents in connection with feedstuffs, it is understood by the Customs to be associated with bran and pollard.

BRAN

The old-style milling left a greater proportion of flour in the by-product than usually remains to-day and, consequently, the bran was whiter and of a larger flake. This practice established a demand which continues. Bran produced by modern mills is therefore rolled to produce the larger flake and the wheat may even be bleached to give the desired whiteness in the bran. There is no need to discuss at this point whether cattle actually prefer that type of bran, although it is quite possible that the rolling process may, by giving a toasted flavour, make the food more appetizing. Suffice it to note that the preference of the farmer continues for white bran of large flake and that a price premium is always obtainable for such bran. The Canadian exporter, handling a product naturally of smaller flake, must ordinarily make no attempt to sell on the size of the bran, but solely on the basis of analysis; although it still remains true that the mill which can ship as large a flake as possible, will score.

BRAN AND POLLARD

Importations of bran and pollard are on an extensive scale. Details concerning the principal suppliers in recent years are as follows:—

	1936		1937		1938*	
	Tons	£	Tons	£	Tons	£
Total	439,072	1,984,869	438,729	2,646,086	408,812	2,450,183
Argentina	240,400	1,025,964	204,003	1,142,563	195,149	1,142,021
Netherlands	48,699	247,831	48,927	323,192	38,724	245,026
Australia	10,924	64,162	21,122	157,931	29,069	218,715
Canada	12,293	62,375	16,979	115,191	23,606	148,710
Egypt	14,548	73,539	22,018	143,962	20,433	131,998
Brazil	54,100	237,230	22,612	128,590	19,057	109,893

* Preliminary statistics.

Other important countries of supply are Bulgaria, Belgium, Yugoslavia, and India, as well as Uruguay, Germany, France, Turkey, and Chile. Russia is an occasional source of supply. Imports from that country amounted to 30,477 tons valued at £136,607 in 1938, but were nil in 1935, 1936 and 1937.

SHARPS AND MIDLINGS

Sharps and middlings are also imported in large quantities. The importation in 1936, 1937 and 1938 are shown in the following table:—

	1936		1937		1938*	
	Tons	£	Tons	£	Tons	£
Total	233,539	1,099,388	185,689	1,205,608	187,052	1,181,093
Argentina	97,954	458,956	90,513	563,478	91,005	563,212
Canada	10,965	58,690	10,978	79,320	23,681	168,646
Netherlands	48,699	247,831	48,927	323,192	20,866	134,069
Turkey	4,506	23,659	17,109	110,157	17,318	104,003
Brazil	13,657	67,064	10,796	69,904	12,050	73,842
Egypt	14,548	73,539	22,018	143,962	3,499	23,514
Australia	10,924	64,162	21,122	157,931	146	874

* Preliminary statistics.

Other supplying countries are Belgium, France, Italy, Yugoslavia, Bulgaria, Germany, and Russia. As with bran and pollards the importations from some sources fluctuate greatly from year to year.

CONSUMPTION

In addition to the extensive importations, there is also a large domestic production of wheat offals amounting to between 1,500,000 and 1,650,000 long tons annually. The aggregate consumption is therefore in the neighbourhood of 2,300,000 long tons annually of the by-products of grinding alone. Tail wheat or wheat screenings, mainly from domestic mills, are also consumed in proportionately large quantities.

The screenings are usually ground to meal, except for poultry, and are considered satisfactory where fed as slops, but like the finer grades of offals, they are not found as suitable when fed dry. The finer offals are used more for fat production, while bran is preferred for working, breeding, or milking animals.

COLOUR

While the Canadian miller cannot accept any responsibility for colour, he must watch yearly variations closely and submit fresh samples each year to his correspondents in this market. Colour is probably the predominating factor affecting the sale of all offals, but particularly of middlings. Bran will vary in colour and size of flake, and shorts and middlings will vary in colour; the exporter will naturally keep this variation to the minimum possible, but will also be well advised to post his client on the natural variation each year.

SUNDRY CEREAL BY-PRODUCTS

Cereal by-products other than bran, shorts, middlings, and rice meal and dust are imported in varying degree. The total quantities and values of imports in recent years have been: 1936, 16,925 tons, £69,024; 1937, 24,925 tons, £134,491; 1938, 28,668 tons, £125,155. The principal sources were Argentina, Canada, and Ireland.

CERTIFICATE OF ORIGIN

On and after August 1, 1939, all certificates of origin for wheat flour, bran, shorts and middlings exported to the United Kingdom from Canada under claim to imperial preference will be required to be endorsed, where the facts justify it, that the goods are milled from Empire wheat or from a blend of wheat of which not less than 25 per cent is of Empire growth. Unless this endorsement is given, full costings will be required in the approved form as provided for in the imperial preference regulations, before the claim to preference can be considered.

PULSE

The general term pulse is applied to a number of varieties of beans, peas and lentils (some of which, botanically, may not be pulse) grown in the United Kingdom and imported in quite large quantities. This term serves the purpose of setting the edible seeds of leguminous plants apart from other grain and thereby avoids some possible confusion. Lentils do not appear to be used as feed to any extent but some forms and varieties of beans and peas are so used.

BEANS

Types.—One of the best known types of beans includes the various haricot, French or kidney beans. These are used almost entirely for human food but some lower grades and screenings may find their way into feed mixes. The

soya bean is imported by the crushing mills for its oil content and is not itself used as feed; the residue, however, finds a good demand and is discussed in the section on oil cakes and meals. Locust and butter beans are imported solely or mainly for feed. Bean meal is officially defined: "The meal obtained by grinding commercially pure beans of the species (i) *vicia faba* (synonym, *faba vulgaris*) or any of its varieties, commonly known as 'horse bean,' 'field bean,' or 'broad bean'; or (2) *phaselous vulgaris*, the 'true haricot bean' or any of its varieties, white or coloured."

Domestic Production.—The area in England and Wales under beans for stock feeding has increased from 1936 until it amounted in 1938 to 129,817 acres with a total production of 105,800 long tons. The area sown to beans in Scotland is quite limited at 2,247 acres in 1938.

Production of beans in the United Kingdom, together with importations, provides an exportable surplus. Exports of beans, not fresh, amounted in 1936 to 30,256 cwt. (£16,217), and in 1937 to 14,934 cwt. (£8,904). No details are yet published for 1938.

As an indication of the extent of processing of beans, it may be noted that the production of bean flour and meal was at least 14,000 long tons valued at £106,000 in 1934 and somewhat lower at 12,500 tons valued at £95,000 in 1935.

Imports.—Total importations of each of the varieties of dried beans in 1936, 1937, and 1938, were as follows:—

	1936		1937		1938*	
	Cwts.	£	Cwts.	£	Cwts.	£
Locust..	711,100	166,700	1,085,400	298,365	1,480,800	411,346
Soya	1,639,560	634,872	1,975,920	847,270	1,973,660	766,209
Haricot	190,621	93,257	134,296	92,266		
Butter	274,767	198,010	221,690	161,446	956,176	502,186
Other sorts	800,074	265,711	391,071	205,671		

* Preliminary figures, not detailed for haricot, butter and other sorts.

Locust beans are imported mainly from Cyprus but some quantities are also obtained from Greece, Portugal, and other foreign countries. Soya beans are obtained mainly from the Kwantung peninsula and Manchuria proper, with varying quantities from the United States and Russia. Butter beans are almost entirely from Madagascar. As haricot beans are not a feedstuff they are not discussed further. Other sorts of beans are also largely for human consumption and are supplied by a great number of countries such as Burma (probably Rangoon beans for ship's stores), China, Canada, Chile (rice beans), the United States, and a number of European countries, especially Danubian.

PEAS

Types.—Apart from the small smooth-skinned Blue pea, the large smooth Imperial Blue, and the large wrinkled Marrowfat, which are used almost entirely for human consumption, there are quite large quantities of other types imported mainly for feeds.

White peas are used largely for splitting and for grinding. After splitting they are graded as No. 1 Pearl split, No. 2 and No. 3, according to size, cleanliness and freedom from chips, worms, etc. They should have only a slight polish. The No. 1 and No. 3 grades obtain the largest sale; white Victorias are particularly well liked. No. 1 Pearl splits are always white Victorias and pea flour is ground largely from Victorias. London mills handle a large part of this trade and import direct from Russia, Poland, and Germany.

The Maple or Pigeon pea is of a mottled brown colour and derives its alternative name from its popularity as a feed for pigeons. The variety grown in Tasmania is one of the hardest and for this reason is in favour as a feed for racing pigeons.

The Dun pea, while similar to the Maple, is not identical. It is used as a feed and is also ground for pea-meal. Pea-meal is officially defined: "The meal obtained by grinding commercially pure peas, as grown, of varieties of *pisum sativum* or *pisum arvense*." Both pea-meal and pea flour are used to some extent in feed mixes.

Domestic Production.—The area under peas for stock-feeding in England and Wales has decreased since 1936 and in 1938 amounted to 38,153 acres with a total production of 30,160 long tons. The area under peas in Scotland amounted to only 706 acres.

The production of pea-meal and pea flour in 1935 was at least 6,100 long tons valued at £56,000.

Domestic production is sufficiently extensive to support a quite substantial exportation of peas produced in the United Kingdom. Exports of whole dried peas in 1936 amounted to 16,441 cwts. (£16,686) and in 1937 to 10,308 cwts. (£13,220). Exports of split peas aggregated 67,488 cwts. (£37,619) in 1936 and 67,685 cwts. (£41,067) in 1937. Total exports of both in 1938 was 61,750 cwts. (£48,457).

Imports.—Substantial quantities of whole dried peas are imported annually and also some quantities of split peas. Imports of all varieties, both for food and feed, in 1936, 1937 and 1938 are as follows:—

	1936		1937		1938*	
	Cwts.	£	Cwts.	£	Cwts.	£
Total	1,913,769	1,017,525	1,396,580	979,953	1,897,572	1,110,563
Netherlands	533,819	390,842	490,661	395,284	595,098	491,531
Japan	398,747	292,798	317,264	306,563	230,066	196,067
India	126,270	47,020	187,865	81,509	(a)	
Russia	495,640	113,345	78,940	21,263	(b)	
Australia	45,936	27,745	61,402	38,030	(a)	
New Zealand	65,861	39,674	53,414	31,796	(a)	
Poland	42,557	21,217	45,509	23,459	(b)	
Belgium	44,536	28,446	30,641	22,810	(b)	
Hungary	10,327	6,745	7,295	7,384	(b)	
Germany	3,000	1,685	3,586	1,427	(b)	
Other Brit. countries	940	436	271	258	322,029	165,204
Other foreign countries	146,136	47,572	119,732	50,170	750,379	257,761

* Preliminary statistics. (a) Included under "other British countries." (b) Included under "other foreign countries."

Importations from Australia, New Zealand, Germany, Canada, Hungary, and Morocco have all steadily declined from the proportionately much higher figures of 1933 and 1934. Netherlands, Poland, and Belgium have strengthened their positions. Supplies from Russia fluctuate violently, as the statistics above indicate. Importations from India and Japan are fairly steady.

It is most difficult to state accurately which types are obtained from each country but, in general, the position is as follows: India ships mainly No. 3 whites of variable quality. Australia's supplies are mainly Maples from Tasmania but also include the Blues. Russia sells small white peas which contrast with the Victorias. Germany ships fair quantities of white peas, usually Victorias, as well as split peas. In addition to being the principal supplier of split peas, the Netherlands ships very substantial quantities of Marrowfats and Blues, including Imperials, all of good quality and bright colour; these, of course, are used largely for human consumption. Hungary sells very small Blues and also whites, but the supply is irregular. Morocco is a source of white peas. Japan provides Marrowfats of good quality and excellent grading, and these are used as food. Chile exports whites and blues and some No. 3 whites come from China.

TRADE OF SOUTH AFRICA IN 1938

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

(Figures within parentheses are for 1937; all tons are short tons of 2,000 pounds).

Cape Town, May 10, 1939.—The total trade of the Union of South Africa for 1938 was valued at £179,226,552 as compared with £228,742,082 in 1937. Imports, exclusive of goods in transit, were valued at £95,881,850 and exports at £83,344,702 as against £103,382,242 and £125,359,840 respectively in 1937.

Canada's share of the union's import trade in 1938 was valued at £3,011,328, or 3·5 per cent of total imports into South Africa, as compared with £3,420,233 or 3·5 per cent in 1937. Canada moved up to fourth in importance as a source of supply for the Union's requirements, displacing Japan and coming after the United Kingdom, the United States, and Germany, in the order named. South Africa's exports to Canada declined in value from £1,346,690 in 1937 to £380,226 during 1938.

The following table shows the value of imports from and exports to overseas countries and neighbouring states and the value of government purchases in 1937 and 1938:—

<i>Imports</i>			
Merchandise—	1937	1938	
From overseas	£ 96,312,179	£ 85,337,648	
From other states in British South Africa..	992,440	1,033,582	
Government stores	6,063,146	9,487,496	
Specie	14,477	23,124	
Total	£103,382,242	£95,881,850	
<i>Exports</i>			
Merchandise—	1937	1938	
Overseas	£122,632,738	£77,823,478	
To other states in British South Africa..	2,660,895	2,752,991	
Specie.. . . .	66,207	2,768,233	
Total	£125,359,840*	£83,344,702*	

* Exclusive of ships' stores taken by South African vessels.

BALANCE OF TRADE

According to the foregoing table, South Africa had an adverse balance of trade for 1938 of £12,537,148 as compared with a favourable balance of £21,977,598 for 1937. These figures, however, do not accurately reflect the trade position of the Union, nor are they strictly comparable. In the case of imports the values represent in many instances the official values for customs purposes and not the f.o.b. price paid by the importers, while in the case of exports the values do not include the value of gold bullion earmarked for account of commercial banks and firms. In order to reflect the true indebtedness of the Union in respect of goods purchased, from January 1, 1933, particulars of the total cost of the Union's imports (c.i.f. and c.) have been collected for statistical purposes in place of charges, freight, and insurance only as was done previously.

Following is a comparative table, taking into account these factors, for the years 1937 and 1938:—

<i>Imports</i>		
	1937	1938
Total c.i.f. and c. cost of imports, excluding parcel post imports, from countries overseas	£107,876,000	£100,358,000
Value of imports per parcel post	2,108,104	2,071,276
Value of imports (f.o.r.) from South West Africa and Northern Rhodesia	1,014,358	1,052,891
Value of specie	14,477	23,124
Total visible imports	£111,012,939	£103,505,291

Exports

	1937	1938
Grand total value of visible exports (including ships' stores)	£125,359,840	£ 83,344,702
Plus difference gold value and face value of specie	20,250	1,806,601
Plus earmarked gold . . . . .	.....	20,714,902
Total	£125,380,090	£105,866,205
Balance in favour of the Union	£ 14,367,151	£ 2,360,914

Exports

The total value of South African produce exported overseas in 1938, exclusive of specie, amounted to £74,552,804 as compared with £119,662,958 in 1937, a decrease of £45,110,154. The principal articles exported, exclusive of foodstuffs, were as follows:—

	1937		1938	
	Quantity	Value	Quantity	Value
Gold, produce of the Unionfine oz.	11,768,913	£82,751,159	6,839,940	£47,995,255
Woollb.	237,306,990	12,645,349	244,404,095	8,983,495
Diamonds, rough and uncutcarats	837,916	2,254,516	598,439	1,499,353
Diamonds, cut and polishedcarats	42,217	1,063,652	37,482	887,754
Sheep skinslb.	31,493,856	1,228,759	32,685,774	778,708
Manganese oretons	531,589	578,677	351,693	537,906
Coal, cargotons	885,386	406,546	990,506	490,706
Wattle bark extractlb.	91,535,036	575,913	64,971,491	454,946
Wattle barklb.	153,332,294	424,988	144,828,859	453,006
Hides and skins, ox and cowlb.	27,809,375	845,961	18,592,082	433,776
Copper, barctl.	230,837	592,749	227,280	426,392
Asbestos, rawlb.	55,641,064	427,557	43,956,911	422,156
Angora hairlb.	4,560,583	476,382	5,111,205	353,949
Foodstuffs for animalslb.	127,650,737	280,140	123,797,708	276,334
Chrome oretons	186,882	324,816	129,590	239,527
Platinumfine oz.	29,665	239,069	39,283	228,210
Goat skinslb.	5,381,510	293,626	5,520,631	207,736
Tin ore and concentratestons	1,065	136,316	1,374	124,255
Raw cottonlb.	1,084,986	29,369	396,438	8,320

ANALYSIS OF EXPORTS BY GROUPS**GOLD**

Exports of gold bullion, the produce of the Union, amounted to 6,839,940 fine ounces, valued at time of export at £47,995,253, all of which was consigned to the United Kingdom. Corresponding figures for the year 1937 were 11,768,913 fine ounces and £82,751,159 respectively.

The earmarking of gold for commercial banks and firms abroad began in August, 1938, with the retaining in this country of 151,123 ounces valued at £1,077,803. The quantity earmarked in this way has increased progressively each month. In December 857,941 ounces valued at £6,381,270 was earmarked, making a total for the year of 2,821,207 ounces valued at £20,714,902.

WOOL

Wool continues to be the Union's chief agricultural export commodity, ranking second only to gold among all products exported by the Union. The price received by the thousands of farmers for the wool clip has a definite bearing on the Union's prosperity, especially in the districts concerned. Shipments during 1938 amounted to 244,404,095 pounds, an increase of 7,097,105 pounds as compared with shipments in 1937. The declared value, however, shows a large decrease, due to the average prices realized for grease wool in 1938 falling from 12·46d. to 8·6d. per pound and for scoured wool from 22·8d. to 16·6d. per pound.

Of the grease wool exported, the United Kingdom took 40,912,421 pounds valued at £1,341,455 as compared with 37,991,289 pounds valued at £1,899,629 in

1937. Shipments to the continent, of which Germany was the chief purchaser followed by France, totalled 189,497,365 pounds valued at £6,867,046 as compared with 138,864,599 pounds valued at £6,871,040. The United States took 616,478 pounds valued at £24,163, which was a heavy decline from the previous year's purchases of 2,299,009 pounds valued at £135,165. Shipments to Japan amounted to 5,349,302 pounds valued at £221,709, a considerable decline from 1937 when shipments amounted to 50,366,992 pounds valued at £3,010,675.

FOODSTUFFS

Foodstuffs, which have not been included in the previous table, constituted the third largest group of exports from the Union; in 1937 they nearly displaced wool for second position. During 1938, however, the total value of foodstuffs declined considerably from the 1937 figure, amounting to £8,005,443 as compared with £11,890,537 in 1937. This tremendous drop is accounted for largely by the decline in the export of maize following a partial crop failure.

Citrus fruit, which rivals sugar exports for second position in this group, also showed a substantial decline in 1938 in both quantity and value, although a greater reduction in quantity than in value. Other exports which declined in value were butter, preserved crayfish, deciduous fruit, fresh meat, wine, and brandy. Increased exports were recorded for cheese, dried and preserved fruit, and grape syrup.

The competition and low prices that the citrus and deciduous fruits must meet in the United Kingdom and continental markets continue to be of great concern to the industry. Although ocean freight rates have been reduced, this has not been sufficient, and still other means are being sought to increase the return to the fruit industry. The wine industry continues to flourish. The export of grape syrup last year decreased in quantity but increased in value. Wines, brandy, and liqueurs decreased in value but showed a substantial increase in quantity. So far as this particular industry is concerned, an increase in quantity is very desirable and will be even more so in the years to come, because, while a substantial measure of control exists in the marketing of wines, there is no control of production, and the rate at which farmers are increasing their areas of vines is causing much concern to those responsible for marketing the product.

The following table shows the exports of the more important foodstuffs during 1938 and 1937 and the extent of the increase or decrease in value for each commodity in 1938 as compared with the preceding year:—

	1937		1938		Inc. + or Dec. — £1,000
	Quantity	Value	Quantity	Value	
Butter.. . . . .lb.	7,155,618	£ 383,519	3,528,452	£ 213,581	— 170
Wheat.. . . . .lb.	58,836,685	237,249	9,509	68	— 237
Maize.. . . . .lb.	1,710,929,006	3,194,055	440,837,243	960,728	—2,233
Maize meal.. . . .lb.	426,163,395	867,909	154,367,890	334,133	— 534
Cheese.. . . . .lb.	1,595,208	67,919	2,710,438	121,277	+ 53
Eggs in the shell.. .No.	32,224,186	118,961	32,958,883	125,413	+ 6
Fish—					
Fresh and frozen.. . . .lb.	3,657,782	123,402	4,113,569	111,196	— 12
Dried and cured.. . . .lb.	3,871,141	61,411	3,526,670	57,433	— 4
Preserved (crayfish)lb.	3,164,816	186,151	2,515,384	128,994	— 57
Fruit—					
Citrus.. . . . .boxes	4,109,399	2,056,380	3,474,256	1,373,346	— 683
Deciduous.. . . . .boxes	2,336,539	634,628	2,246,246	622,314	— 12
Grapes.. . . . .boxes	2,022,214	587,754	2,265,151	655,132	+ 67
Dried.. . . . .lb.	15,544,949	262,455	22,581,065	372,087	+ 110
Preserved.. . . . .lb.	4,831,495	86,245	9,195,250	145,687	+ 59
Jams and jellies.. . . .lb.	843,056	18,465	1,056,873	22,839	+ 4
Meats, fresh.. . . . .lb.	17,682,561	253,173	4,188,458	71,698	— 181
Milk, condensed.. . . .lb.	112,974	3,838	278,350	8,466	+ 5
Nuts, edible.. . . . .lb.	95,402	1,853	276,526	4,604	+ 3
Pulse in the grain.. . . .lb.	1,428,656	14,290	1,356,489	11,918	— 2
Sugar.. . . . .lb.	485,718,664	1,944,006	474,568,793	1,898,504	— 46
Molasses and treacle.. . .lb.	102,786,040	34,922	60,241,345	20,343	— 15
Grape syrup.. . . . .gals.	8,887,319	51,416	8,151,726	63,246	+ 12
Wine, brandy and liqueurs.. .gals.	1,689,758	270,810	1,985,250	209,188	— 62

DIAMONDS

Conditions in the diamond industry continued to be unsettled, due to the lack of recovery in business conditions in the United States and more recently to the political situation in Europe. Exports during 1938 showed a further decline both in quantity and in value of rough and uncut stones. The average prices realized over the two years 1938 and 1937 were £2 10s. 1d. and £2 13s. 10d. per carat. Cut and polished stones also decreased both in quantity and value. Exports amounted to 37,482 carats valued at £887,754 in 1938 as compared with 42,217 carats valued at £1,063,652 in 1937.

HIDES AND SKINS

The volume of ox and cow hides exported declined in 1938 to 18,592,082 pounds from 27,809,375 pounds in 1937, a decrease of 9,217,293 pounds. The total value was also considerably below the previous year's figure, amounting to £433,776 in 1938 as compared with £845,961 in 1937. The average prices per pound were 7·2d. and 5·6d. respectively. The United Kingdom was again the principal market, with imports valued at £147,285 as compared with £207,593 in 1937. The balance was shipped largely to continental countries, which were credited with £276,306 as compared with £577,590 in 1937.

Sheep skins exported during 1938 increased in quantity by 1,191,918 pounds but decreased in value by £450,051. The average price realized fell from 9·4d. per pound in 1937 to 5·7d. per pound in 1938. Exports of goat skins increased from 5,381,510 pounds valued at £293,626 in 1937 to 5,520,631 pounds valued at £207,736 in 1938, an increase in quantity but a fall in value due to a decline in the price from 13·1d. to 9d. per pound. Merino sheep skins were exported largely to the United Kingdom, shipments being valued at £116,605 as against £156,453 in 1937; to continental countries, £307,930 (£420,745); United States, £6,405 (£116,171).

MOHAIR

There was a slight increase in the quantity of mohair exported, the total amounting to 5,111,205 pounds in 1938 as compared with 4,560,583 pounds in 1937. Prices fell from 25s. 1d. to 16s. 6d. per pound, so that the total value of the exports was actually less, amounting to £353,949 in 1938 as compared with £476,382 in 1937. The principal countries to which mohair was exported in 1938 were the United Kingdom, 3,986,963 pounds (£260,626) as compared with 4,082,791 pounds (£420,597); and Germany, 905,964 pounds (£76,928) as against 106,264 pounds (£12,365) in 1937.

WATTLE BARK AND EXTRACT

The exports of wattle bark continued to decrease in 1938 as in 1937; the decrease last year amounted to 8,503,435 pounds, but the value of exports was higher by £28,018. This was due to a marked advance in prices realized, which rose from £5 10s. 10d. in 1937 to £6 5s. 1d. per ton in 1938. Although the quantity of wattle bark exported has continued to decrease for the past two years, prices have steadily advanced.

Exports of wattle bark extract amounted to 64,971,491 pounds valued at £454,946, a decrease of 26,563,545 pounds and £120,967 as compared with the record shipment in 1937 of 91,535,036 pounds valued at £575,913. The average price, as in the case of wattle bark, was also higher, amounting to £14 1d. as compared with £12 11s. 8d. per ton in 1937. The chief market for wattle bark, as in previous years, was India, with a value of £111,370 followed by Japan with £92,238; Netherlands, £61,101; Germany, £59,149. Wattle bark extract was shipped largely to the United Kingdom with a value of £231,378, followed by

Japan as next largest purchaser with £39,183; the balance being divided amongst a large number of countries.

MANGANESE ORE

There was a considerable drop in the tonnage of manganese ore exported, which fell from 531,589 tons in 1937 to 351,693 tons in 1938. Owing to an increase in the average price obtained, however, the value of exports showed a much smaller decline. The chief purchaser was Germany, with 234,023 tons valued at £355,237. Canada, which took 11,098 tons in 1937 was not included among purchasing countries in 1938.

DESTINATION OF EXPORTS

Principal purchasers of South Africa's export commodities, together with the value of shipments consigned to each in 1937 and 1938 are shown in the following table:—

	1937		1938	
	£1,000	Per Cent	£1,000	Per Cent
United Kingdom..	15,170	41.1	10,795	40.7
Germany..	4,982	13.5	4,992	18.8
France..	2,470	6.7	2,129	8.0
Belgium..	2,321	6.3	1,565	5.9
Italy..	849	2.3	1,021	3.8
United States..	1,338	3.6	754	2.8
Holland..	1,292	3.5	454	1.7
Japan..	3,308	9.0	405	1.5

Note.—Exports of gold bullion and specie excluded.

The above countries took approximately 83.2 per cent of South Africa's exports in 1938 as compared with 86 per cent in 1937, exclusive of gold in both years.

The value of South African produce exported to the United Kingdom in 1938 was £10,795,835 or 40.7 per cent of the total as compared with £15,170,121 or 41.1 per cent in 1937. If gold had been included the United Kingdom percentage would have been much higher. The United Kingdom was the principal market for the Union's foodstuffs, taking 74.4 as against 68.4 per cent in 1937.

Shipments to other parts of the British Empire increased to 9.6 from 9.3 per cent, while exports to foreign countries rose only slightly to 49.7 from 49.6 per cent.

Among the foreign countries, Germany is the Union's chief purchaser with £4,992,336 as compared with £4,982,050 in 1937. Germany also increased her percentage to 18.8 from 13.5 per cent in 1937. Germany's purchases can be attributed largely to the barter or clearing agreement which exists between that country and the Union. Some of the more important products purchased by Germany are grease wool, £3,668,284 (£3,591,914 in 1937); manganese, £355,237 (£376,903); maize, £206,256 (£106,311); scoured wool, £97,725 (£63,373); angora hair, £76,928 (£12,365); ox and cow hides, £73,690 (£154,175).

France now occupies second position in the list of foreign purchasers of South Africa's exports with £2,129,482 as compared with £2,470,852 in 1937. The principal items taken were grease wool, £1,592,756 (£1,490,406); sheep skins, £248,025 (£353,295); crayfish tinned, £108,076 (£156,281).

Exports to Belgium were valued at £1,565,766 (£2,321,610). The chief items were cut and polished diamonds, £694,675 (£673,310); grease wool, £495,312 (£884,155); diamonds rough and uncut, £224,645 (£243,362); scoured wool, £86,602 (£105,892).

The value of exports to Italy amounted to £1,020,971 in 1938 as compared with £849,642 in 1937. The increase in exports to Italy is due entirely to large shipments of wool, which were valued at £916,418 (£702,214). Another item of importance was ox and cow hides, £45,345 (£53,553).

Shipments to the United States showed a heavy decline to a value of £754,650 in 1938 as compared with £1,338,529 in 1937, or 2·8 per cent of the total as compared with 3·6 per cent in 1937. The principal items exported to the United States were, goat skins, £110,889 (£155,593); sheep skins, £135,656 (£379,036); chrome ore, £77,869 (£152,249); rough and uncut diamonds, £77,473 (£67,814).

The recorded value of exports to the Netherlands totalled £454,405 in 1938 as against £1,292,601 in 1937. The chief exports were diamonds, rough and uncut, £82,202 (£118,203); diamonds, cut and polished, £74,559 (£257,905); maize, £70,524 (£505,785); wattle bark, £61,101 (£57,163).

Japan, which held second position for some years, fell to seventh position in the value of exports taken from the Union in 1938. These were valued at £404,945 as compared with £3,308,466 in 1937, the principal items being wool, £221,709 (£3,027,518), and wattle bark, £92,238 (£63,054).

EXPORTS TO CANADA

Canada is credited with taking 0·5 per cent of South Africa's total exports in 1938, including gold, but if this latter commodity is excluded, Canada purchased 1·4 per cent of the Union's total exports. This is a heavy decline from the 1937 figure and the second lowest in five years. Exports to Canada in 1938 were valued at £388,256 as compared with £1,349,315 in 1937. As has been pointed out in previous annual reports, South Africa's exports consist of a relatively small number of products, chiefly foodstuffs, animal products, and minerals. Exports to Canada consist largely of foodstuffs, more especially maize and sugar. Of the latter two it is maize which is the deciding factor as to whether or not exports to Canada are heavy or light. When anything happens to upset a normal maize crop, such as drought, to which the country is frequently subject, exports to Canada decline accordingly. This was the position in 1938.

The following table lists the principal items shipped to Canada during the year under review, with comparative values for previous years:—

	1935	1936	1937	1938
Sugar..	£301,546	£164,505	£ 58	£139,184
Maize..	374,139	13,825	1,225,967	151,690
Wool (scoured)..	29,113	22,134	29,984	21,320
Wool (grease)..	9,149	5,719	10,469	646
Tinned pineapple..	3,698	8,131	8,041	5,248
Dried fruits..	27,164	29,478	24,025	13,311
Wines and spirits..	12,781	16,266	26,623	27,292
Manganese ore..	5,868	5,000	12,708	....
Other commodities	4,802	2,121	8,815	29,565
Total..	£768,260	£267,179	£1,346,690	£388,256

Of the commodities listed in the table above, sugar is the only one to show any appreciable increase; all others, with the exception of wines and spirits, show a decline. The imports of scoured wool have remained remarkably steady over the last five years, varying between £20,000 and £30,000 in value. Imports of grease wool, which showed some evidence of a steady increase, almost completely disappeared in 1938. A setback also occurred in tinned pineapple and dried fruits after remarkably consistent years. In wines and spirits there is an unbroken annual increase for the last five years, sometimes small but always upward. This is very gratifying to the South African wine industry, as production is increasing annually and every effort is being made to increase exports. Under the heading "other commodities" exports of fruit pulp showed a noteworthy increase to the value of £3,561 (£1,554 in 1937); and candied peel to the value of £1,339 (£767). Goat skins, which were never previously exported in quantity and not at all in 1937, were shipped to Canada to the value of £2,108.

NETHERLANDS COMMODITY MARKETS IN 1938

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

I

(One florin or guilder equals \$0.53½ approximately at current rate of exchange; one metric ton equals 2,205 pounds; one metre equals 39·37 inches; one cubic metre equals 35·314 cubic feet.)

Rotterdam, June 10, 1939.—Following is a summary of the market conditions in 1938 for the various commodities and groups of commodities which are imported into Holland, with special reference to those of interest to Canada. Products are reviewed in the order in which they appear in the Netherlands trade statistics for 1938.

LIVE ANIMALS

Animal raising is an important domestic activity, so there is only a limited market in Holland for foreign supplies.

Horses.—Approximately 5,000 horses (fl.867,000) were imported in 1938, mainly from Poland, Lithuania, Great Britain, Belgium, and Ireland. In addition there were 6,609 horses for slaughtering purposes (fl.931,000). These came principally from Denmark (4,369) and Poland (1,903). Trade in this branch has increased greatly in the last two years. Opportunities for Canadian horse shippers are small, due to quota restrictions and transportation difficulties.

Foxes.—There is no demand for Canadian foxes, and prices are unattractive.

FISH

Holland is a large shipper of fish products, and exports are of considerably greater value than imports. Shipments to Canada are principally salted and pickled herring, which in 1938 reached a value of fl.82,000.

Frozen salmon is the main variety obtained from Canada, imports amounting to 38 tons (fl.28,000) in 1938. Total arrivals of this fish were 272 tons (fl.331,000), chiefly from the United States, 115 tons (fl.120,000); Norway, 53 tons (fl.76,000); and Great Britain, 38 tons (fl.60,000), with Canada in fourth place. There were 3 tons of frozen halibut (fl.1,998) brought in from Canada. A special licence is necessary for the importation of this fish.

Eels.—Holland is a considerable producer of eels, but there are also supplementary imports. These amounted to 491 tons (fl.338,000) in 1938, largely from Denmark, with smaller quantities from Norway and France. Arrivals of eels are strictly controlled by quota regulations and, as Canada has no allotment, sales are not possible.

Crab and Lobster.—Figures for these varieties are combined in the statistics. Imports amounted to 661 tons (fl.546,000), the chief supplier being Norway.

MEAT AND MEAT PRODUCTS

Imports of meat and meat products amount to considerably less than Netherlands exports. There are, however, quantity arrivals of pork from Poland, fresh beef and veal from Denmark, and frozen supplies from Germany and the Argentine. There were 1,168 tons of salted horsemeat (fl.501,000) landed in 1938, of which practically the entire quantity, or 1,069 tons, was from the United States. Quota regulations are one of the factors preventing Canada from sharing in this trade.

Animal Organs for Chemical Uses, mostly Glands.—These were imported to the value of fl.277,000, Canada's share being fl.8,000.

Animal Fats.—Arrivals of unrendered animal fats totalled 3,110 tons (fl.1,-029,000). Belgium is the chief supplier, followed by Argentina and France. This product is subject to quotas. Imports of pure and steam lard declined, as did also those of non-edible tallow and technical fats. Incoming quantities of the latter were 6,114 tons (fl.1,185,000), of which Canada forwarded 32 tons (fl.4,000). Rendered beef fats were imported to a value of fl.1,462,000. There were also 667 tons (fl.218,000) of margarine. These came mainly from the United States and Argentina, which supplied 394 and 253 tons respectively. Canada is credited with 3 tons.

WOOL

Imports in 1938 of unspun wool amounted to 4,128 tons of unwashed, 4,433 tons of washed, and 1,616 tons of combed. Great Britain, Uruguay, and Belgium are the main suppliers.

HONEY

Honey arrivals were slightly greater in 1938 than in the preceding year. There is a fair production of domestic clover honey suitable for table use. Foreign supplies are chiefly of the buckwheat variety for use by confectioners and bakers. There is a good market for Canadian buckwheat honey when prices are attractive. Principal imports are from Cuba, with lesser but important quantities from Mexico, the United States, and France. Canada forwarded 57 tons (fl.13,707). Imports in the last two years were as follows:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total..	4,873	911	5,113	912
France	287	99	323	93
Canada	110	28	57	14
Cuba	3,305	563	2,932	485
Mexico	618	102	809	131
United States	179	44	473	92
Guatemala	180	39	129	31
Santo Domingo	38	7	260	41

CASEIN

Imports of casein amounted to 802 tons (fl.196,000), the suppliers in order of importance being France, 553 tons; Argentina, 121 tons; and Norway, 59 tons.

ANIMAL HAIR

Arrivals of animal hair appear generally to have increased. Imports of horse hair were 160 tons (fl.271,000), of which Great Britain, Argentina, Belgium, and Brazil were the chief suppliers. Cow hair arrivals amounted to 328 tons (fl.155,000), Belgium and the United States being the leading shippers. Canada was credited with 1 ton (fl.1,090), although her shipments are much larger, being eventually re-exported from the Netherlands to other European countries. The price of kapok in Holland is so cheap that no furniture manufacturers are interested in using curled hair. Imports of hog hair for brushes amounted to 111 tons (fl.286,000) and of other hog hair to 96 tons (fl.7,000).

CASINGS

Arrivals of casings decreased from 5,130 tons (fl.2,639,000) in 1937 to 3,461 tons (fl.1,505,000) in the year under review. Canada's share declined from 72 tons (fl.17,000) to 37 tons (fl.7,000). The following table shows imports during the last two years from the chief supplying countries.

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	5,130	2,639	3,461	1,505
Germany	30	31	34	16
Belgium	900	236	341	116
United Kingdom	433	90	361	73
France	807	225	510	156
Norway	225	57	188	53
China	530	1,273	253	520
Argentina	947	273	786	185
Brazil	115	25	144	30
Uruguay	295	64	206	43
United States	577	256	449	188
Canada	72	17	36	7

FISHMEAL, MEAT MEALS, AND OTHER FEED MEALS

Fishmeal.—This is the most important commodity in this group; it is used for both swine feeding and poultry raising. Prospects for 1939 are not favourable for Canadian fishmeal, as prices are low in the Netherlands. Imports in 1937 and 1938 were as follows:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	20,563	1,958	23,363	2,264
Belgium	686	51	754	57
Great Britain	2,312	242	884	96
Norway	4,236	406	5,377	506
Sweden	1,069	111	1,002	111
Portugal	1,410	108	1,317	113
Iceland	6,232	614	8,317	816
Japan	3,604	339	3,320	336
Canada	194	18	766	76
Argentina	486	36	225	17
United States	294	29	1,186	116

There were 582 tons (fl.86,000) of meat meal and 10,376 tons (fl.964,000) of animal meal imported in 1938, principally from South America.

WHEAT

Although wheat continues to play the leading role in Canadian-Netherlands trade, the 1938 arrivals from Canada were disappointing, having declined by approximately $7\frac{1}{2}$ per cent in weight and 34 per cent in value as compared with the preceding year, while total Netherlands imports increased. The principal supplier is the United States, followed by Soviet Russia, with Canada in third place. Figures for the first two countries show important advances in 1938 as compared with 1937, the increases for the United States being more than 100 per cent in weight and 50 per cent in value and for Soviet Russia approximately 213 per cent in weight and just over 100 per cent in value.

Details of imports for the past two years are as follows:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	569,319	49,859	644,648	41,097
France .. . . .	.....	.....	15,565	553
Belgium	6,078	551	4,670	261
Lithuania and Memel .. . . .	.....	.....	4,460	229
Soviet Russia	38,931	3,211	122,156	6,808
Roumania	77,373	6,218	27,186	1,422
Yugoslavia	4,863	383	.....	.....
Canada	117,968	11,073	109,138	7,293
Argentina	161,661	13,696	70,451	5,217
United States	135,070	12,418	285,501	18,915
Uruguay	4,994	385	501	41

While price is always an important factor on the Netherlands market, the heavy downward trend in trade with Argentina may be largely attributed to

crop failure in that country. The United States, on the other hand, reaped a bumper harvest and, in addition, enjoys the benefits of a special trade agreement with the Netherlands.

MAIZE (CORN)

As is also the case with fishmeal, maize is largely brought in for use as a feed for swine and poultry. Total Netherlands imports showed a decline both in weight and value, the figures for 1937 and 1938 being 961,832 tons (fl.49,-343,787) and 914,862 tons (fl.48,291,552) respectively. The United States was the principal supplier, being credited with 370,710 tons (fl.19,643,816) as against 20,671 tons (fl.1,117,523) in 1937. Argentina and Canada were next in importance, shipping respectively 281,680 tons (fl.15,004,815) and 128,854 tons (fl.6,695,-225). The maize credited to Canada, however, is really United States grain transhipped via a Canadian port.

RYE

Arrivals of rye continue to decrease, shipments in 1938 being only 45,449 tons as against 59,619 tons in 1937 and 85,336 in 1936, a decline of approximately 46 per cent in two years. The value, however, remains pretty much on the same level, being fl.2,673,136 for the year under review as compared with fl.2,704,387 two years ago. In 1938 Russia superseded Argentina as principal supplier and was credited with 25,687 tons (fl.1,486,000); Canada, in second place, was credited with 12,631 tons (fl.743,000). Argentina was third with 3,550 tons (fl.224,000) and the United States was fourth with 2,821 tons (fl.173,000).

BARLEY

Arrivals of barley also continue to decline, having dropped from 238,434 tons (fl.14,749,000) in 1937 to 230,805 tons (fl.12,313,000) in the year under review. In 1937 Argentina was the chief supplier but receded in 1938 to fourth place, Canada with 70,113 tons (fl.3,588,600) heading the list. Russia followed with 65,866 tons (fl.3,175,000), and the United States was in third place with 35,856 tons (fl.1,974,000). According to the trade, arrivals from the Dominion were mainly of United States origin. Details of total imports for the past two years are as follows:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	238,434	14,749	230,805	12,313
Russia	43,418	2,677	65,866	3,175
Poland and Danzig	10,590	889	20,351	1,133
Roumania	19,758	1,128	2,278	102
Canada	36,372	2,131	70,113	3,589
Argentina	75,115	4,707	23,003	1,448
Turkey	2,891	188	7,457	439
United States	26,400	1,545	35,856	1,974
Bulgaria	6,468	396	476	31

OATS

Total imports of oats into the Netherlands in 1938 were 50 per cent in excess of the 1937 arrivals and more than four times as heavy as in 1936. In contrast with 1937 there were only two suppliers, Argentina and Canada. Imports for the past two years were as follows:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	45,903	2,603	67,441	3,445
Canada	7,115	553	6,606	427
Argentina	37,837	1,997	60,835	3,018
Chile	189	7	....	....
Belgium	538	32	....	....

BUCKWHEAT

Shipments into Holland in 1938 showed a small decrease as compared with those in the preceding year. Manchuria was again the principal source of supply. The following table shows imports in 1937 and 1938:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	24,645	1,865	22,562	1,554
Manchuria.. . . .	15,641	1,217	10,365	756
Canada.. . . .	2,751	199	4,139	264
United States.. . . .	4,158	302	2,585	181
Poland.. . . .	1,771	128	5,402	348

GRAIN N.O.P.

In addition to the foregoing cereals, there were imports in 1938 of non-specified grains amounting to 14,853 tons (fl.782,000), a decrease from the figures for the preceding year of 19,466 tons (fl.1,063,000).

SEEDS

There is only a limited outlet in the Netherlands for Canadian seeds. Dependent on the success or failure of local crops, however, Canada sends certain amounts of grass and clover seeds. In 1938 the figures for these products were 18 tons (fl.12,445) and 6 tons (fl.3,576) respectively. Total imports of grass seed in 1938 were 2,503 tons (fl.913,000) as against 2,037 tons (fl.719,000) in 1937. Arrivals of clover seed during the period under review totalled 1,830 tons (fl.906,000).

Linseed—The main seed imports are linseed for crushing purposes, although 1938 shipments were less than those for the preceding year, declining from 320,023 tons (fl.34,151,000) to 297,742 tons (fl.30,122,000). Argentina was the principal source of supply.

SOYA BEANS

Imports in 1938 showed an increase in weight but a slight decline in value as compared with the previous year; total imports were 110,003 tons (fl.7,475,000). Canada's share in this trade showed a decline from 13,273 tons (fl.1,069,000) in 1937 to 11,027 tons (fl.707,758). In both years Manchuria was by far the chief supplier. Canada is credited with 11,027 tons (fl.708,000), but these shipments are from the United States, routed via a Canadian port.

PEANUTS

There are considerable imports of unshelled peanuts amounting to 26,193 tons (fl.2,799,000). Imports of shelled peanuts, in which trade Canada participated for the first time during the year under review, are even greater. Out of a total of 151,409 tons (fl.15,154,000) the Dominion is credited with 206 tons (fl.17,724).

FRESH FRUIT

While Holland is a grower of various fresh fruits, principally apples, pears, and grapes, there is usually a certain demand for foreign fruits.

Apples.—Canada did not participate in this trade to as great an extent as in 1937, when Canadian supplies were imported in the early part of the year, due to a poor local crop in 1936. Abundant domestic supplies from the local 1937 harvest and from the United States resulted in prices which were unattractive to Canadian exporters.

Details of imports during the last two years are as follows:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	15,213	2,027	17,818	2,137
Belgium	554	35	360	39
Great Britain	1,699	115	86	8
Canada	1,762	136	253	24
United States	8,963	1,373	15,602	1,846
Australia	1,473	245	901	135
New Zealand	464	69	478	73

Pears.—Imports of pears in 1938 amounted to 5,761 tons (fl.805,000). The United States supplied 4,534 tons (fl.645,000).

DRIED FRUIT

Arrivals of dried apples during the past four years have remained at practically the same level. Imports in 1938 were 3,759 tons (fl.997,000), of which 99 per cent is credited to the United States. Canada shares in this trade from time to time, although there were no imports last year. In 1937 a total of 103 tons (fl.28,000) were brought in from the Dominion.

Imports of dried pears, plums, and apricots were also considerable, the United States being the chief supplier of these.

CANNED FRUIT

There is only a fair demand for canned fruit in Holland, as plentiful supplies of fresh fruit are usually available. There are some imports of apricots, pears, peaches, pineapple and other varieties, and sales of two-well known United States packers reach a fair volume. These, however, are supported by extensive advertising. This factor, coupled with high duties, renders chances of Canadian competition practically nil. Holland exports large quantities of fruit pulp, shipments in 1938 being 20,896 tons (fl.3,957,000), of which Canada purchased 19 tons (fl.3,541).

CANNED VEGETABLES

Fresh supplies of canned vegetables are on the market throughout the whole year, and there is a well-developed local canning industry. Exports exceed imports and the demand for the products of foreign canneries is therefore limited.

There are some sales of tomato juice and ketchup of international repute, which are frequently shipped from Dominion plants.

FEEDING CAKES

Imports of linseed cakes are most important, although there are considerable arrivals of peanut, sesame, coconut, and soya cakes. Feeding cakes are subject to quota regulations. Figures of linseed cake and meal imports during the last two years were as shown in the following table, Canada's share having decreased:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	73,436	4,777	55,168	3,862
Belgium	1,020	69	802	64
British India	1,206	73	861	65
Canada	1,183	76	409	28
Argentina	2,482	173	1,496	110
Brazil	852	57	1,468	108
United States	66,379	4,312	49,848	3,468

There were also 24,310 tons (fl.1,448,000) of non-specified cattle feed, which includes unhusked grains. Canada supplied 26 tons (fl.2,261) as compared with 16 tons (fl.1,547) in the previous year.

FLAX

There are some imports of flax, valued at about fl.260,000. Canada sent 5 tons of waste flax (fl.1,585).

UNSPUN COTTON

Arrivals under this heading were less than in 1937. The United States supplied the bulk of the imports, although considerable quantities were also drawn from British India, Egypt, Brazil, Peru, and Belgium.

PRELIMINARY CROP REPORTS FOR NORWAY AND SWEDEN

RICHARD GREW, CANADIAN TRADE COMMISSIONER

Norway

Oslo, June 21, 1939.—The Director of the Norwegian Department of Agriculture has issued the following report dealing with the crop prospects at the end of May. On account of cold weather during April and May, the snows in the higher and northern districts were later in melting than usual. Spring was therefore late in these districts, but came at about the normal time in all other parts of the country. Winter-sown crops and pasture lands have wintered well on the whole. Spring activities were practically completed throughout the country by the end of May. Owing to continuous drought during the latter part of the spring, crop prospects were none too bright. During the last week, however, heavy rainfall occurred in almost all districts, and the outlook is definitely better for all crops, including fruit, vegetables, and berries.

Heavy winter snows caused a great deal of damage to the fruit trees, and many young trees were damaged by frost. Flowering was abundant in most districts and took place under favourable weather conditions. The fruit prospects may now be considered good. Perennials wintered well, and no damage of any significance has been caused by noxious insects.

Sweden

A preliminary crop report has also been issued by the Swedish Central Bureau of Statistics. Spring came about the normal time, with a slightly higher temperature in April and a somewhat higher rainfall. By the end of April it was certain that the autumn-sown grain had, on the whole, wintered well. This applies especially to wheat; also to rye, but not to the same extent, as this grain had suffered through mildew. May was dry and cold, with heavy night frosts, and these conditions retarded all growth.

The unfavourable weather conditions during May were especially noticeable in Gothland and the three most important agricultural districts of the south. Taken on the whole, autumn-sown wheat was in a fairly satisfactory condition, while conditions for rye were not quite so good. The wheat crops may be expected to be slightly above the average, but rye may just reach the average level. Compared with last year, however, both autumn wheat and autumn rye show improvement.

Pasture lands wintered well but have been retarded in later growth by the unfavourable weather in May even more than the autumn-sown grain. In many districts pasture lands show great promise; in others they have suffered heavily from cold, frost, and drought. Early pastures especially have been uneven in many districts. In certain parts they have been so thin and poor that ploughing and re-sowing have been necessary. From all districts it is reported that no improvement can be expected unless a sufficient amount of rain and heat are forthcoming. Prospects at the end of May for the hay harvest throughout the country were under average, but slightly better than at the same time last year.

ECONOMY AND COMMERCE OF SALVADOR

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

I

Mexico City, June 2, 1939.—With an area of 34,126 square kilometers or about 13,173 square miles, Salvador is not much larger than Belgium and is the smallest of the five Central American republics; but with a population of 1,665,333, it is the most densely populated of the five.

The capital, San Salvador, is the largest city, with a population of 102,316. Its neighbour, Santa Tecla, has 33,331 inhabitants. In the northwest is situated Santa Ana, population 84,342, and to the southeast, San Miguel, with 44,793 inhabitants. Ahuachapán in the coffee-growing district in the west has 31,245 inhabitants. Other than these cities no town exceeds 30,000, and 60 per cent of the country's population reside outside the cities. Spanish is the official language but English is generally understood by those engaged in commerce, although it is most desirable, and at times essential, to use Spanish for correspondence, catalogues, etc.

The climate varies from tropical to sub-tropical, according to the altitude, and the rainy season is from May to October, the rest of the year being dry. Earthquake shocks are frequent, but rarely severe.

As in all Latin-American countries, the metric system is the official system of weights and measurement, although other systems are sometimes employed. The English system of weights and measures is understood in commerce; but it is always advisable to designate them clearly if and when used; e.g., "English yards," "English pounds."

The monetary unit is the colon, divided into 100 centavos, and the legal rate of exchange two colones to one United States dollar. Actually the rate has for some considerable time remained steady at $2\frac{1}{2}$ colones to the dollar.

The two principal ports are Acajutla, four hours by rail, and La Libertad, one hour by road, from the capital; both located on the Caribbean coast. These are open roadsteads, necessitating the landing of cargo by lighter. Cutuco, situated close to the Guatemalan port of La Union on the Pacific coast, is nine hours by rail from San Salvador. Here vessels berth at the pier. Mail is received via New York, both by steamer and by air, the latter being the recommended means of communication.

IMPORTANCE OF COFFEE

Since 1935 Salvador has enjoyed a favourable balance of trade at the end of each financial year. While steps have been taken to develop the resources of the country in order to lessen its dependence on coffee, the prosperity of the republic still rests upon that commodity, which accounts for at least nine-tenths of the value of exports. Sales of coffee abroad thus determine the bulk of the imports, as exports form the only source of foreign exchange. More than half the Government's revenue is derived from import and export duties, so it is easy to understand how greatly the prosperity of the country depends upon this one product.

Due to this importance of coffee in the economy of Salvador, the change in the Brazilian Government's coffee policy at the beginning of the 1937-38 coffee season, which brought about a sharp decrease in world coffee prices early in November of 1937, naturally reflected adversely upon the prosperity of Salvador and was viewed with alarm. The situation, however, was somewhat relieved by the Government of Salvador suspending in part the coffee export tax, which suspension has again been renewed for the 1938-39 season. It happened also that the low prices of 1937 coincided with a small crop in Salvador,

the two factors creating early in 1938 pessimism as to the future. Unexpectedly a few months later prices improved and this improvement has continued. Although it may be only a passing phase in the buying markets, the advance in prices has raised hope that mild coffees, for which Salvador is one of the principal sources of supply, will command much better prices than expected in the early part of the season. Because Salvador is the principal producer of mild coffees, the huge output of Brazilian coffees of an altogether different quality do not entirely control world prices of all coffees.

In the season of 1936-37 Salvador had one of the largest crops of coffee in seventy years of coffee production and as usual the entire crop was sold. Consequently, trade was good in 1937 and imports showed a large increase over previous years. Unfortunately, this improvement gradually dissipated in the latter part of 1938 and trade has since remained generally dull. As usual all of the 1938-39 coffee crop was sold when more than a third of it was still unpicked. With improved prices and a crop considerably larger than the previous one, prospects for trade in the immediate future thus appear bright.

DISTRIBUTION OF TRADE

Since 1934 an outstanding feature in the trade of Salvador has been the large increase in purchases from Germany, entirely due to lower prices as a result of discounts—never less than 20 per cent—at which Aski marks have been obtainable in Salvador. In 1934 Germany was Salvador's best market for coffee and took 30 per cent of the exports, but supplied only 8 per cent of the imports. In 1937 the percentages were 11 and 30 respectively. The United States since 1934 has always been the chief source of supply as well as the principal purchaser of Salvadorean products. In 1934 the United States purchased 26 per cent of Salvador's exports and supplied 44 per cent of her imports; in 1937 these percentages were 60 and 40 respectively. Despite these percentages, the United States sent goods to a greater value in 1937 than in 1934, as did also the United Kingdom, which maintained third place in the three-year period.

Trade prospects for the current year, as already noted, look much brighter. It is not well, however, to count too heavily on the future, since the key to Salvador's purchasing power abroad has always been, and will for a long time continue to be, the price of mild coffees in world markets.

AGRICULTURAL PRODUCTION

Coffee.—The area under this crop exceeds 100,000 hectares, principally in the higher country, in the centre and west of the republic. Picking usually commences in November and continues for about three months, while the shipment of the season's crop carries through to the following October, regarded as the end of the season. Usually, good crops are produced in alternate years. The 1936-37 crops, a record one, amounted to 961,452 bags (each of 69 kilograms or $1\frac{1}{2}$ quintals), all of which were exported. The 1937-38 crops was poor, but up to September, 1938, 715,200 bags were exported, and at that date an even larger yield was predicted. The 1938-39 season is expected to produce a good average crop, with about 850,000 bags for export. The internal consumption is approximately 130,000 bags, so that this latter figure, added to the export figures, gives the approximate total production, all of which finds a market.

Because the coffee produced in Salvador is two-thirds of the "washed" or mild variety and the process of "washing" must immediately follow the picking, it is necessary to have coffee machinery of a particular type available within the country. Therefore, most of the big estates have their own plant or "beneficia," while the smaller ones send their coffee to the larger estates to be "washed." "Unwashed" coffee does not require this process. Machinery is not essential for it, but only sun without rain for a period of about two weeks.

Accordingly the export price in United States dollars for the "unwashed" variety is anywhere from U.S. \$1.50 to U.S. \$2.00 per quintal (46 kilos) less than for the "washed" varieties.

The Government has endeavoured to help growers when world market prices for coffee have been low, by suspending part of the coffee export tax accruing to Government revenue. This suspension is to be continued for the 1938-39 season, which commenced November last, and sales for which have already been made at prices from U.S. \$9 to U.S. \$10 per quintal.

Maize.—The area under maize is usually about 50 per cent more than that under coffee, and the yield varies from two to four millions of quintals (of 46 kilos). The 1937 crop was only 1,873,760 quintals; but the 1938 crop was expected to prove much larger. This product, together with black beans, forms the staple food of the peasant, who does not eat bread. Two crops are produced, one between September and November, the other between November and February.

Sugar.—In 1937 the area under sugar is estimated to have been 9,226 hectares, producing 690,353 quintals. The cutting of the cane is done between November and May. No figures are available for 1938.

Cotton.—The latest figures available show that the area under cotton in 1937 was 2,502 hectares, yielding 1,048 metric tons, which was sufficient to meet the demands of the local industry. This is an improvement upon previous years, when it was necessary to import a certain quantity.

Henequen (Sisal) Fibre.—The area in 1937 is given as 3,215 hectares, but the production was only 2,283 metric tons as compared with 3,607 metric tons in 1936, when there was a considerable increase on previous periods. The cutting is from January to April. Besides supplying the local bag-making industry it finds a ready export market.

Balsam.—This product, well known as "Peruvian Balsam," is grown principally on the coast between the ports of La Libertad and Acajutla. About one-third of the production is exported, and, according to regulations, must now be marked "Balsam of El Salvador." In 1935 production amounted to 271 tons; in 1936 to 208 tons; and in 1937, the latest year for which figures available, there was produced from 47,614 trees, only 134 tons.

Other agricultural products are millet, rice, wheat, indigo and tobacco; but the quantities produced are practically negligible. Bananas and citrus fruits are also grown, but there is no export of them.

MINERALS

The only minerals worked in Salvador are gold and silver, found in unison. The production has steadily increased during the past four years. Gold deposits are found generally throughout the country; but are worked only in the departments of San Miguel, Morazán and La Unión. Production amounted to 11,499 ounces troy in 1936, when exports were valued at colones 1,399,407. Official production figures for 1937 have not been issued but the value exported was colones 1,686,198. Silver production in 1936 was 56,830 ounces troy, with exports valued at colones 51,050. In 1937 the value of silver exports was colones 71,102.

ANIMALS

According to official figures, the number of head of cattle in the Republic is about 600,000, while pigs amount to over 400,000. There are about 180,000 horses, half of which are in the central zone. The average annual consumption of cattle within the Republic during the last five years was approximately 70,000, and of pigs 122,000.

PRELIMINARY FORECAST OF JAPANESE WHEAT CROP

A. K. DOULL, ACTING CANADIAN TRADE COMMISSIONER

Kobe, June 12, 1939.—According to the Department of Agriculture and Forestry, the estimated wheat crop for 38 prefectures is 47,869,504 bushels as on May 20. Wheat crops in the Hokkaido, Tohoku, Nagano, and Niigata Prefectures are not included in the prefectures mentioned above, but it is roughly estimated that crops in these districts should amount to about 5,856,222 bushels, making a total of 53,725,726 bushels for the whole of Japan Proper.

Adding a small expected increase to this amount, Japan's wheat crop should amount to nearly 55,000,000 bushels, which will be a record, showing an increase of 21 per cent over last year. Should this forecast be fulfilled, the flour situation in Japan, Manchukuo, and China will be eased to some extent.

The wheat crop in Chosen (Korea) is estimated at 12,090,543 bushels as against an actual crop of 10,351,796 bushels in 1938.

TRADE COMMISSIONERS ON TOUR

Mr. P. V. McLane, Canadian Trade Commissioner at Kobe, Japan, and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories.

Mr. McLane will be in Vancouver from September 5 to 15.

Mr. Strong will complete his tour of Western Canada with a visit to Vancouver ending July 9 and to Victoria on July 10.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom

QUOTA PAYMENTS ON FLOUR

With reference to the notice in *Commercial Intelligence Journal* No. 1830, February 25, 1939, page 269, the Wheat (Quota Payments) No. 2 Order, 1939, of the United Kingdom, effective June 18, 1939, decreases from 31·2 pence to 26·4 pence the payment to be made to the Wheat Commission in respect of each hundredweight of wheat flour imported into or milled in the United Kingdom. The fund created by these payments is used to reimburse United Kingdom wheat growers to the extent of the difference between the ascertained average price of home-grown millable wheat in any cereal year and the standard price of 10 shillings per hundredweight fixed by the Wheat Act, 1932.

PROCESSED MILK IMPORTATION

With reference to the article in *Commercial Intelligence Journal* No. 1847 (June 24, 1939) page 1026-7, Mr. G. R. Paterson, Acting Animal Products Trade Commissioner in London, reports that the Board of Trade have issued a statement showing the quantities of processed milk to be imported into the United Kingdom annually from supplying countries. The allocations, which are made under the Processed Milk (Import Regulation) Order, 1939, are in hundredweights per annum as follows:—

Condensed whole milk: Ireland, 22,000; New Zealand, 30,000; Canada, 108,000; Netherlands, 70,000; Denmark, 34,200; United States, 4,000; Switzerland, 3,000; Belgium, 3,000; Estonia, 1,200.

Condensed skimmed milk: Ireland, 100,000; Netherlands, 800,000; Denmark, 94,000; Belgium, 3,000; Italy, 1,500.

Milk powder: Ireland, 10,000; Australia, 25,000 (50 per cent full cream, 50 per cent skimmed); New Zealand, 115,000 (26,250 cwts. full cream); Canada, 25,000 (6,250 cwts. full cream); Netherlands, 50,000 (all skimmed); United States, 4,000; Denmark, 1,320; Belgium, 1,000; Switzerland, 500.

Buttermilk and whey powder: Australia, 6,000; New Zealand, 12,000; Netherlands, 12,000.

Cream: Ireland, 40,000; Denmark, 23,900.

Australia

TARIFF DECISIONS

Recent Australian customs decisions, as to the classification and rates of duty on articles regarding which question had been raised, include the following:—

Centrifugal fans of the type used in industry for such purposes as induced and forced draught in boilerhouses, mine ventilation, mill exhaust, dust collecting, etc., are dutiable at 45 per cent ad valorem under British preferential tariff (rate reduced one-quarter or value for duty reduced one-eighth at present rate of exchange), and 65 per cent under general tariff (item 176F1).

Reciprocating compressors, single acting, refrigeration capacity 100 tons and over, for use with air conditioning plants, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 174Y).

Mechanical driving units incorporated in or forming part of dictating machines, transcribing machines and record shaving machines classifiable under tariff item 319B2, including apparatus for transmitting power from the driving units to the driven units, are subject to the rates applicable to the machines of which they form a part, viz.: free of duty under British preferential tariff, 10 per cent ad valorem under general tariff.

Gramophone, phonograph and other talking machine pick-up heads, for use with sound-producing equipment, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 415A2).

Combination tools consisting of parallel jaw vise, pipe vise, cable and pin shearer, cable stripper, pipe bender, anvil, floating vise and screwing device, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 415A2).

Knife blades in the rough, shaped, bored or unbored, but not hardened, tempered or sharpened, for use in the manufacture of lawn mowers, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 404).

Cast steel bars, hardened and tempered, ground and polished, 6 gauge (B.G.) or finer, not exceeding 12 feet long, for the manufacture of vertical, frame, and drag saws of the toothed type; also cast steel plates and sheets, hardened and tempered, ground and polished, 10 gauge (B.G.) or finer, not exceeding 12 feet long and not exceeding 12 inches wide for the manufacture of vertical, frame, and drag saws of the toothed type, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-laws under item 404).

Carbon brushes imported separately, for dynamo electric machines, including such machines under one horse-power, 20 per cent ad valorem under British preferential tariff, 55 per cent under general tariff, rates to increase as present Australian currency depreciation may be lessened (item 181C).

Glassine paper for use in the manufacture of paper bags; stranded phosphor bronze cables, made of wire 0.0035 inch or finer, with or without a core of any material, for the manufacture of wireless receiving sets; ornamental figures of china or porcelain, including busts and heads of animals, for the manufacture of night dress cases, pin cushions, powder puffs, and the like, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-laws under item 404).

Milled soap, irrespective of size or shape, and unmilled soap imported in forms indicating use as toilet soap, 4½d. per lb. under British preferential tariff, 7½d. per lb. if from "most-favoured" countries, 8½d. per lb. if from other non-British countries, with respective alternative rates of 15 per cent, 30 per cent and 40 per cent if these will return higher duty. All rates to increase as Australian currency depreciation is lessened (item 94A).

Ticking, woven, in the piece, defined, for use in the manufacture of cases for bed mattresses, bolsters or pillows, 5 per cent under British preferential tariff, 20 per cent under general tariff (item 434).

Cooked bacon in tins, and sliced ham in tins, 3d. per lb. under British preferential tariff, 6d. per lb. under general tariff (item 74C).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates, except where rates for "most-favoured" countries are stated.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 3, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 3, 1939, and for the week ending Monday, June 26, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 26	Nominal Quotations in Montreal Week ending July 3	Official Bank Rate
Austria	Schilling	.1407	. . . . .	. . . . .	—
Belgium	Belga	.1001	\$.1705	\$.1704	3
Bulgaria	Lev	.0072	.0121	.0121	6
Czecho-Slovakia	Koruna	.0296	. . . . .	. . . . .	—
Denmark	Krone	.2680	.2095	.2095	3½
Finland	Markka	.0252	.0206	.0206	4
France	Franc	.0392	.0265	.0265	2
Germany	Reichsmark	.2382	.4021	.4023	4
Great Britain	Pound	4.8666	4.6940	4.6945	2
Greece	Drachma	.0130	.0086	.0086	6
Holland	Guilder	.4020	.5323	.5323	2
Hungary	Pengo	.1749	.2958	.2959	4
	Unofficial		.1963	.1963	—
Italy	Lira	.0526	.0527	.0527	4½
Yugoslavia	Dinar	.0176	.0227	.0227	5
Norway	Krone	.2680	.2359	.2359	3½
Poland	Zloty	.1122	.1886	.1887	4½
Portugal	Escudo	.0442	.0426	.0425	4-4½
Roumania	Leu	.0060	.0070	.0070	3½
Spain	Peseta	.1930	.1105	.1105	4
Sweden	Krona	.2680	.2417	.2417	2½
Switzerland	Franc	.1930	.2259	.2261	1½
United States	Dollar	1.0000	1.0028	1.0029	1
Mexico	Peso	.4985	.2008	.1768	3
Cuba	Peso	1.0000	1.0023	1.0025	—
Guadeloupe	Franc	.0392	.0265	.0265	—
Jamaica	Pound	4.8666	4.7040	4.7045	—
Martinique	Franc	.0392	.0265	.0265	—
Other British West Indies	Dollar	1.0138	.9779	.9780	—
Argentina	Peso (Paper)	.4245	.3130	.3130	—
	Official buying		.2761	.2761	—
	Unofficial		.2327	.2327	—
Brazil	Milreis (Paper)	.1196	.0608	.0608	—
	Unofficial		.0507	.0508	—
British Guiana	Dollar	1.0138	.9779	.9780	—
Chile	Peso	.1217	.0518	.0519	3-4½
	Unofficial		.0401	.0401	—
Colombia	Peso	.9733	.5738	.5715	4
Peru	Sol	.2800	.1705	.1705	6
Venezuela	Bolivar	.1930	.3109	.3109	—
Uruguay	Peso	1.0342	.6177	.6177	—
	Unofficial		.3568	.3575	—
South Africa	Pound	4.8666	4.6825	4.6825	3½
Egypt	Pound (100 Piastres)	4.9431	4.8125	4.8142	—
China (Shanghai)	Dollar	. . . . .	.1321	.1266	—
Hongkong	Dollar	. . . . .	.2895	.2886	—
India	Rupee	.3650	.3504	.3501	3
Japan	Yen	.4985	.2735	.2736	3.29
Java	Guilder	.4020	.5335	.5333	—
Siam	Baht (Tical)	.4424	.4302	.4303	—
Straits Settlements	Dollar	.5678	.5477	.5492	—
Australia	Pound	4.8666	3.7550	3.7550	3
New Zealand	Pound	4.8666	3.7700	3.7700	4

The Dominion Bureau of Statistics has supplied the following note:—

Foreign currency spot rates, except for sharp declines in the Shanghai dollar and Mexican peso, maintained substantial equilibrium during the week ended July 3. United States funds receded from \$1.00½ on June 26 to \$1.00¼ on the 28th, but recovered to \$1.00¼ at the close. Spot sterling rates were inclined to weakness but support from the Exchange Equalization fund moved quotations up from \$4.6922 on June 29 to \$4.6945 on July 3. Discounts on sterling futures at New York weakened appreciably as international political tension increased. By July 1 discounts on 90-day futures, New York on London, had widened to over 2½c compared with 1¼c on June 26. French franc spot rates were steady at 2.66c. The Netherlands florin dropped to 53.20c following resignation of the Colijn cabinet, but recovered to close unchanged at 53.23c.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Enquirer	Purchase or Agency
Miscellaneous—			
Piece-goods (Art Silk; Woollen).	271-2	Dublin, Ireland	Agency.
Asbestos, Crude.....	273	Bristol, England.....	Purchase.
Machinery (Disintegrating and Conveyor for Asbestos)....	274	Bristol, England.....	Purchase.
Dragline Excavator and Equipment.....	275	New York City, New York.	Purchase.
Wood Poles (Fir).....	276	Dublin, Ireland	Agency.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of York, July 14 and Aug. 9; Montrose, July 22; Duchess of Bedford, July 28; Montclare, Aug. 4—all Canadian Pacific; Antonia, July 14; Andania, July 28—both Cunard-White Star Line; Ornefjell, July 13; Vigor, July 27—both Fjell Line.

To London.—Beaverburn, July 14; Beaverbrae, July 21; Beaverville, July 28; Beaverhill, Aug. 4; Beaverford, Aug. 11—all Canadian Pacific; Alaunia, July 14; Aurania, July 21; Ascania, July 28; Ausonia, Aug. 4—all Cunard-White Star Line; Harpefjell, July 12; Carmelfjell, July 26; Taborfjell, Aug. 9—all Fjell Line.

To Manchester.—Manchester Commerce, July 13; Manchester City, July 20; Manchester Regiment, July 27; Manchester Port, Aug. 3; Manchester Citizen, Aug. 10; Manchester Progress, Aug. 17—all Manchester Line; Ornefjell, July 13; Vigor, July 27—both Fjell Line.

To Avonmouth, Bristol, Cardiff and Swansea.—Dakotian, July 15; Norwegian, Aug. 19—both Cunard-Donaldson and Dominion Lines; New York City, July 26; Bristol City, Aug. 9; Boston City, Aug. 26—all Bristol City and Dominion Lines.

To Glasgow.—Delilian, July 14; Athenia, July 24; Sulairia, July 28; Letitia, Aug. 4—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Bassano, July 13; Consuelo, Aug. 3—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnglen (also calls at Dundee), July 12; Cairnesk, July 26; Cairnmona, Aug. 2; Cairnross, Aug. 9; Cairnvalona, Aug. 16—all Cairn-Thomson Line.

To United Kingdom Ports.—Windsorwood and Maplewood (will also call at Continental ports if sufficient cargo offers), July 20; Wearwood (calls at London), Aug. 3; Yorkwood, Aug. 10; Kirnwood, Aug. 15—all Constantine Line.

To Belfast and Dublin.—Kenbane Head, Head Line, July 12 (also calls at London-derry and Cork).

To Hamburg and Bremen.—Beaverville, Canadian Pacific, July 28 (does not call at Bremen); Koenigsburg, North German Lloyd Line, July 14; Bochum, Hamburg-American Line, Aug. 11.

To Antwerp.—Beaverburn, July 14; Beaverbrae, July 21; Beaverhill, Aug. 4; Beaverford, Aug. 11—all Canadian Pacific; Grey County, July 9; Lista, July 20; Brant County, Aug. 6—all County Line (also call at Havre); Harpefjell, July 12; Carmelfjell, July 26; Taborfjell, Aug. 9—all Fjell Line.

To Rotterdam.—Lista, July 20; Hada County, Aug. 7; Grey County, Aug. 25—all County Line; Harpefjell, July 12; Carmelfjell, July 26; Taborfjell, Aug. 9—all Fjell Line.

To Norwegian Ports.—Ornefjell, July 13; Vigor, July 27—both Fjell Line; Idefjord, Norwegian-American Line, July 10.

To Scandinavian and Baltic Ports.—Stureholm, Swedish America Mexico Line, Aug. 16; Gripsholm, July 24; Kungsholm, Aug. 19—both Swedish-American Line.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Olmo, July 13; Capo Noli, Aug. 1; Capo Lena, Aug. 19—all Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—Belle Isle (calls at St. John's and St. Pierre-Miquelon). Newfoundland-Canada SS. Ltd., July 14; New Northland, July 10 and 24; Gaspesia, July 19—both Clarke SS. Co. (call at Cornerbrook only); Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd., July 29 and Aug. 29.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, July 22; Chomedy, Aug. 5; Colborne, Aug. 19—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Cavelier (calls at Kingston only), July 14; Lady Somers, July 19; Cathcart (calls at Kingston only), July 28; Lady Rodney, Aug. 2—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Ary Lensen, July 15; Maud, July 29; a steamer, Aug. 12—all Ocean Dominion SS. Corp.

To Buenos Aires.—L. A. Christensen, July 12; Tureby, Aug. 5—both International Freighting Corporation (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Port Montreal, July 25; Kaikoura, Aug. 25—both Montreal Australia New Zealand Line Ltd. (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—City of Delhi (also calls at Napier), July 10; Port Saint John, Aug. 10—both Montreal Australia New Zealand Line Ltd.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Rhexenor, July 21; Tawali, Aug. 24—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Cochrane (also calls at Free-town), July 20; Deido (also calls at Lourenco Marques and Beira), Aug. 5—both Elder Dempster Lines Ltd.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Bedford, Canada-India Service, July 18.

From Quebec

To Southampton.—Empress of Australia, July 18 and Aug. 3; Empress of Britain, July 29 and Aug. 12—both Canadian Pacific.

From Saint John

To Liverpool and Manchester.—Manchester Exporter, July 22; Manchester Brigade, Aug. 12—both Manchester Line.

To London, Aberdeen, Newcastle and Hull.—Gitano, July 29; Kyno, Aug. 25—both Ellerman's Wilson Line.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, July 19; Lady Nelson, Aug. 2; Lady Hawkins, Aug. 16—all Canadian National.

To Kingston and Jamaican Outports.—Metapan, July 19; Zacapa, Aug. 2; a steamer, Aug. 16—all United Fruit Co.

From Halifax

To Liverpool.—Newfoundland, July 15; Nova Scotia, Aug. 3—both Furness Line.

To St. John's, Nfld.—Fort Townshend (also calls at St. Pierre), July 10 and 24; Fort Amherst (also calls at Cornerbrook), July 17—both Furness-Red Cross Line; Magnhild, Newfoundland-Canada Steamships Ltd., July 10 and 24, Aug. 7 (also calls at St. Pierre and Newfoundland outports); Newfoundland, July 15; Nova Scotia, Aug. 3—both Furness Line; Portia, Newfoundland Ry. and SS. Co., July 19.

To Kingston, Jamaica.—Cavelier, July 17 and Aug. 14; Cathcart, July 31—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, July 13; Lady Drake, July 27; Lady Nelson, Aug. 10—all Canadian National; Ary Lensen, July 20; Maud, Aug. 3; a steamer, Aug. 17—all Ocean Dominion SS. Corp. (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, July 12; Cornwallis, July 26; Chomedy, Aug. 9—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillemor, July 12; Lillgunvor, July 28—both Pickford & Black Ltd. (also call at Jamaican outports as cargo offers).

To Far East Ports.—Malayan Prince, July 22; Chinese Prince, Aug. 21—both Furness-Prince Line; Silversandal, Aug. 6; Silvervev, Sept. 5—both Silver Line.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, July 25; Hikawa Maru, Aug. 12; Hie Maru, Aug. 26—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Russia (calls at Nagasaki), July 22; Empress of Japan (calls at Honolulu), Aug. 5; Empress of Asia (calls at Nagasaki), Aug. 19; Empress of Canada (calls at Honolulu), Sept. 2—all Canadian Pacific; Tyndareus, July 29; Ixion, Sept. 2—both Blue Funnel Line (call at Miike but not at Manila).

To Shanghai, Weihaiwei and Dairen.—Rugeley, North Pacific Shipping Co. Ltd., about July 26.

To Pacific Islands, Northern Group (New Britain, New Ireland, New Guinea, Papua, Solomon Islands, Gilbert Islands and Townsville).—Velox, Empire Shipping Co. Ltd., July 20.

To Honolulu, Suva, Auckland and Sydney.—Monowai, Aug. 2; Aorangi, Aug. 30—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia, Colombo and Bombay.—Hoegh Transporter (calls at Belawan Deli, will also call at Singapore, Port Swettenham and Penang if cargo offers), July 24; Hoegh Silverstar (calls at Saigon, Singapore, and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if cargo offers), Aug. 1; a vessel (calls at Belawan Deli, will also call at Singapore, Port Swettenham and Penang if cargo offers), Aug. 23—all Silver-Java Pacific Line.

To Papeete, Auckland, Wellington, Melbourne and Sydney.—Limerick (also calls at Lyttelton), July 19; Hauraki (also calls at Dunedin and Adelaide), Aug. 15—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne and Adelaide.—Parrakoola, July 10; Goonawarra, Aug. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Delftdyk (also calls at Glasgow), July 22; Dinteldyk, Aug. 5; Lochavon (also calls at Glasgow), Aug. 19; Lochkatrine, Sept. 2—all North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Lima, July 21; Balboa, Aug. 18—both Johnson Line.

To Antwerp, Hamburg and Bremen.—Seattle, July 25; Tacoma, July 30—both Hamburg-American Line; Este, North German Lloyd Line, July 20.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—San Diego, July 15; Wisconsin, July 23; Oregon, Aug. 8; Wyoming, Aug. 23—all Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Cellina, July 15; Leme, Aug. 12—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—A steamer, Silver-Java Pacific Line, about Aug. 8 (calls at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Hopecrest, North Pacific Shipping Co. Ltd., July 26.

To West African Ports.—Falsterbo, Jorgensen Shipping Company A/B, about July 10 (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi, and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., late July.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Hoyanger, July 26; Leikanger, Aug. 23—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

To Buenaventura and Guayaquil.—A steamer, North Pacific Shipping Co. Ltd., July (also calls at Mexican and Central American west coast ports).

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER. Address for letters—90 Queen Street. Office—Safe Deposit Office Building. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

J. C. MACGILLIVRAY, 801 Columbus-Haus, Potsdamer Platz 1, Berlin W.9. (Territory includes Czecho-Slovakia and Poland.) *Cable address, Cantracom.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

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COMMERCIAL INTELLIGENCE JOURNAL

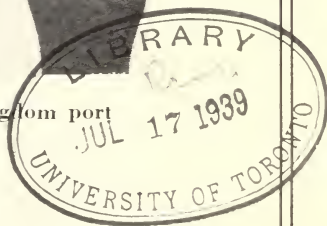
Vol. LXI

Ottawa, July 15, 1939

No. 1850



Unloading Canadian goods at a United Kingdom port



ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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Vol. LXI

Ottawa, July 15, 1939

No. 1850

BUSINESS CONDITIONS IN THE NORTH OF ENGLAND

BLAIR BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, June 23, 1939.—Except for a temporary period of slackening just before Easter, the curve of industrial activity in the North of England has continued its upward trend since the New Year, and a review of the latest reports and statistics reveals clearly that Britain is now experiencing a vigorous trade recovery—a recovery in which the industries in the North are sharing to a large degree.

INCREASED INDUSTRIAL ACTIVITY

The latest unemployment returns, dated May 15, show a further improvement in employment since April. This improvement has been widespread and the effect in the northern districts is apparent from the figures issued of expanding retail sales. An analysis of the returns by trades lends only moderate support to the view that the fall in unemployment is due largely to national defence measures, since the greatest improvement was recorded in industries not directly affected by armament work.

With the exception of the building and cotton industries and the trade in cutlery and plate in the Sheffield district, all branches of industry in the North report further increases in activity. Items of special interest are the timely revival in shipbuilding and the record production of iron and steel during the month of May. While the improvement can be attributed in an encouraging measure to normal expansion of business, it is being assisted materially by the increasingly large number of orders being received for rearmament work. The effects of the speed-up in the national defence program has been felt directly or indirectly by several branches of industry, of which the iron and steel, engineering, shipbuilding, and woollen industries, and their ancillary trades, are prominent in the North.

FOREIGN TRADE RISE

The Board of Trade returns for May show a distinct advance in foreign trade. Total exports rose by £4,109,500 to £42,273,000, manufactured goods accounting for £32,742,000 of this total. Important increases occurred in cotton and wool, textiles, chemicals, non-ferrous metal manufactures, and machinery, including warships and aeroplanes. In each case the values exceed those of this time last year, and approach very closely to the 1937 levels. There was also a big increase in imports during May. The improvement in exports has been general, showing that so far the claims of rearmament upon many industries have not been detrimental to the receipt and execution of export orders.

Three domestic influences are mentioned as being largely responsible for the present trade recovery. First, the complete absorption during the winter months of surplus stocks, which accumulated during last year and which were largely responsible for the 1937-38 business recession; second, the growing volume of rearmament expenditure; and finally, the indirect consequences of this rearmament expenditure. To these factors may be added a more hopeful view of international relations.

IRON AND STEEL

Figures just published for the month of May reveal that the production of steel during that month established a record for all time. From 1,170,900 tons in April it rose to 1,218,000 tons in May, while the production of pig iron increased from 608,900 tons to 692,000 tons. This record monthly production of steel represents a level of $13\frac{1}{2}$ million tons per annum, and since the estimated capacity of existing plant is put at 14.7 million tons, there is still room for further expansion. Extensions in capacity are reported as being made to two or three important plants in the North. Reports from the various centres give reason to believe that the pressure for iron and steel, principally for defence purposes and for shipbuilding, will increase further.

In the Sheffield area the demand for basic and acid steel billets is at such a high level that additional blast furnaces are being brought into operation. The sharp increase in steel production has led to a shortage in scrap material, and it is understood that purchases from abroad are being arranged. The strong demand for high quality special steels and precision tools is being maintained. Makers of light tools and safety razor blades are well occupied, but the trade in cutlery and plate is comparatively quiet.

The output of semi-finished and finished steel on the Northeast coast is not sufficient to meet the demand from armament manufacturers and commercial firms. The requirements of the finished product are particularly heavy, with sheet mills running to capacity. Present stocks of foundry iron are sufficient to meet a slightly increased demand. Though production of basic pig iron has been increased, supplies of milling steel scrap are short.

COAL AND COKE

All districts report some improvement in the coal trade during the last two months, particularly in the industrial and export markets. Producers in the Leeds and Sheffield areas are meeting a better demand for industrial coals for the home trade, and orders from abroad, particularly from Scandinavia, are increasing. The call for coke is brisk, with steel firms taking substantial quantities, but as usual at this time of year the household section is quiet.

On the Northeast coast all sections of the trade are busy, with a shortage of most grades in supply. Coking collieries are now heavily committed for this year and prices have advanced. The steam collieries are similarly placed. Export trade with the Continent is good, though quite a few sellers are not inclined to commit themselves in anticipation of a possible rise in prices. In Manchester, conditions are less active, apart from a certain steady demand from armament industries. Most collieries in this area are carrying stocks.

ENGINEERING

While in general this industry continues to enjoy very active conditions in the North, reports of the different branches vary considerably. Since the events of March the unsettled international situation has caused a more cautious attitude amongst buyers and many projects are being held in abeyance. An increasing measure of compensation, however, is being found by some departments of the industry in Government contracts. In the Manchester district machine-tool makers are very busy, as are all classes of electrical engineers. Orders for locomotives from overseas are in good number, and the Government contracts for vehicles and aeroplanes and parts are providing a good volume of work. Conditions in the textile branch show no change, there being little inquiry from abroad and still less from the domestic market.

The light engineering trades in Sheffield and district have plenty of work on hand. During the past month or two, nearly every branch of the tool trade registered improvement. An encouraging feature of the reports is that the normal trade, as apart from Government work, is considerably better. Export

trade, on the other hand, is quiet, and recently published statistics reveal a decline as compared with this time last year.

Conditions in Leeds are not so favourable. Production of the heavy materials and forgings is much below capacity. The call for home rolling-stock is light, though export trade in this section is in good volume. General engineering and locomotive firms in this district are not as busy as in others, and a large percentage of their work is on armaments.

SHIPBUILDING

While the rush of orders resulting from the Government subsidies granted on April 1 is beginning to slacken, North of England shipyards are extremely busy and the industry is in a much healthier condition. On the Northeast coast, at Barrow and on the Mersey, shipbuilding is proceeding steadily and a good volume of orders for tramps and cargo liners, plus a high quota of Admiralty work, give prospect of work to many builders over the next two years. Ship repairing is now better employed, the heavier demand for tonnage resulting in an increased amount of reconditioning.

BUILDING

Figures of the cost of building plans approved for April made a poor showing in comparison with those for April, 1938, and for the previous month of this year. Those for May also showed a further slight decrease. This downward trend is reported as being almost entirely due to the fall in dwelling-house construction, for most other sections show improvement.

COTTON

The Lancashire cotton industry has continued to falter under the influence of the disturbed European situation and the uncertainty surrounding the policy to be adopted by the United States in the disposal of its surplus of raw cotton. Nevertheless, the slight recovery in demand for manufactured goods noted last March has maintained production throughout April and May, and there has been a further reduction in unemployment in the industry. Generally speaking, however, the confidence necessary for a sustained recovery of substantial proportions is still lacking.

Reports relative to the yarn section are variable. Some spinners are experiencing an improved demand, while others are inactive. On the whole their positions are far from satisfactory, the uncertainty of future raw cotton prices preventing the execution of some useful orders. The inquiry for piece-goods, however, has broadened considerably and buying has been freer than for some time, the home trade being substantially supported by Government orders for drills, ground sheets, tent cloths and the like. Increased exports of piece-goods to Indian, American, and European markets are reported. Good weather conditions are giving encouragement to makers of light goods and printed materials.

WOOL

During the past few months activity in the woollen industry has been centred largely upon the production of uniform cloths and other requirements for the armed forces, and the demand for these purposes is expected to increase. The business provided thereby is making up in a good measure for the rather disappointing business being placed by commercial firms. It has meant a better demand for low-grade raw material and yarns, and most firms in this department are working to capacity. In fine cloth manufacturing women's requirements are providing a fairly satisfactory business, but men's wear is only in modest demand. Though stocks of fine wool are reported to be plentiful, they are being further increased.

During April further leeway was made up in exports of woollen and worsted tissues. Exports for the first four months of the year were only slightly below the total for the corresponding period of last year. The total for this year is 33,289,000 square yards and for 1938 34,029,000 square yards. Exports of yarns for the four months were 8,881,000 pounds as compared with 6,949,000 pounds last year.

RAYON

Since the end of the first quarter a slight improvement has been noted in the domestic trade in rayons—a better demand being shown for all rayon and rayon mixture dress materials. Hopes are expressed that the home market will take a larger quantity of fabrics this summer than last. Export trade on the other hand remains quiet, but fair-sized deliveries are being made against old contracts.

POLAND'S FOREIGN TRADE IN 1938

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

II

Canadian Participation

[The Polish currency unit, the zloty (zl.), is approximately equivalent to \$0.19 Canadian; one metric ton equals 2,204 pounds; one quintal equals 220.4 pounds.]

The present status of Polish-Canadian trade, according to the official statistics of the two countries, is shown in summary form below. According to figures of the Dominion Bureau of Statistics, Canada in 1938 sold goods to Poland to a value of more than \$1,000,000 and bought slightly over \$250,000 worth of Polish goods.

The Canadian and Polish figures, as is usual in such comparisons, do not agree. The discrepancy in 1937 is marked but in 1938 surprisingly small. In both years, however, there is a large balance in Canada's favour. This is the barrier which, under present trade policies in Europe, is encountered in any attempt to increase or widen sales of Canadian products. It may be noted, however, that if the value for the single item copper were deducted from the Canadian figures, there would be a balance in Poland's favour of all other goods.

TABLE X

POLISH-CANADIAN TRADE EXCHANGE

Calendar Year	Canadian Statistics			Polish Statistics ¹		
	Exports to Poland	Imports from Poland	Balance in Canada's Favour	Imports from Canada	Exports to Canada	Balance in Canada's Favour
	Canadian \$1,000			Canadian \$1,000		
1937	870	231	+ 639	1,200	191	+ 1,009
1938	1,035	261	+ 774	1,129	262	+ 867

¹ Zloty converted to dollars at \$0.19.

CANADIAN STATISTICS OF POLISH-CANADIAN TRADE, 1928-38

The total reciprocal trade between Canada and Poland during the past eleven years, according to Canadian returns, is shown below in tabular form. It will be noted that, except for the four years 1930 to 1933, the balance has been in Canada's favour. As indicated in the second column of the table, a considerable proportion of Poland's goods enter Canada duty free.

TABLE XI
POLISH-CANADIAN TRADE ACCORDING TO CANADIAN STATISTICS

Fiscal Year ended March 31	Imports from Poland					Exports to Poland Canadian Dollars	Balance of Trade
	Dutiable Goods	Free Goods	Total	Values in Thousands of			
1928	114	22	135	456	+	321	
1929	60	19	79	357	+	278	
1930	113	30	143	85	—	58	
1931	102	37	139	61	—	78	
1932	51	22	73	35	—	37	
1933	38	47	85	32	—	54	
1934	61	5	66	72	+	6	
1935	142	14	154	402	+	248	
1936	99	17	116	515	+	399	
1937	112	38	150	557	+	407	
1938 .. .. .	..	..	244	739	+	495

CANADA'S PRINCIPAL EXPORTS TO POLAND

The following table shows the nature of Canada's direct traceable exports to Poland during the past decade, figures being given for the fiscal years ended March 31:—

TABLE XII
CANADA'S CHIEF EXPORTS TO POLAND

	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
	Value in Thousands of Canadian Dollars										
Total exports.. ..	456	357	85	61	35	32	72	402	515	557	739
Flour	375	40	41	35	6	1	0.7	..	..	..	..
Rolled oats.. ..	2.2	14	3.2	..	..	..	..	..	..	..	(c)
Farm implements and machinery.. ..	35	55	3	(a)	(a)	(a)	(a)	..	0.1	..	(c)
Sulphite wood-pulp.. ..	..	..	0.2	..	4.2	12	..	..	..	..	(c)
Leather (d) .. ..	..	(a)	0.1	..	0.1	..	..	0.1	..	0.4	(b)
Sausage casings.. ..	0.2	..	..	..	..	..	..	..	..	2.8	4.6
Motor car tires and tubes	4	(a)	1	4	..	..	..	..	..	1.4	16
Furs	9	12	16	9	20	9	23	20	32	2	(b)
Aluminium in bars, blocks, etc. ..	..	113	4.6	1.8	0.7	0.7	..	1.1	60	5.5	(b)
Copper in bars and blocks .. ..	..	..	..	..	..	..	37	306	321	448	599
Asbestos .. ..	..	..	..	..	..	..	..	8	11	25	42
Abrasives (e) .. ..	..	..	..	..	..	..	..	33	49	51	44
Apples .. ..	..	..	..	..	..	..	..	7.8	..	0.9	(b)
Fish products (f) .. ..	..	..	..	..	..	..	..	..	..	3.8	(b)
Scrap iron .. ..	..	103	..	..	..	..	..	..	..	..	..
All other commodities	30	20	17	11	4	9	11	26	42	16	33

(a) Negligible quantity; (b) figures not available at time of writing; (c) figures not available but believed to be negligible; (d) almost entirely patent leather; (e) abrasives, artificial and crude, including carborundum; (f) consisted of \$1,526 of canned salmon and \$2,298 of canned lobsters.

POLISH RETURNS OF POLISH-CANADIAN TRADE, 1932-38

The reciprocal trade between Poland and Canada, according to official Polish returns, is shown below, values being expressed in thousands of zloty. These figures are for calendar years, whereas those in Table XII, above, are for the fiscal years ended March 31.

Columns 1, 4 and 6 indicate the true trade exchange. As shown in column 3, large exports of Polish rye to the United States passed in transit through Canada during the years 1933 to 1936 and were recorded as exports to the Dominion.

TABLE XIII
POLISH-CANADIAN TRADE ACCORDING TO POLISH STATISTICS, 1932-1938

Calendar Years	Imports from Canada	Exports to Canada	Exports of Rye to Canada via	Exports to Canada less Transit Rye Exports	Balance of Trade	
			United States	Exports	Transit Rye included	Transit Rye excluded
			Values in Thousands of Zloty			
1932	504	486	....	486	....	— 18
1933	221	552	328	224	+ 331	+ 3
1934	208	14,567	14,017	550	+ 14,359	+ 342
1935	614	4,765	4,177	588	+ 4,151	— 26
1936	2,198	1,402	754	648	— 796	— 1,550
1937	6,316	1,006	....	1,006	....	— 5,310
1938	5,943	1,381	....	1,381	....	— 4,562

The average values over the seven-year period 1932-38 of imports into Poland from Canada was 2,286,000 zloty (\$434,000); of total exports to Canada from Poland, 3,451,000 zloty (\$655,000); and of exports to Canada less transit rye shipments, 697,000 zloty (\$132,000). According to Canadian statistics, the average value of the Dominion's exports to Poland over the seven fiscal years 1931-32 to 1937-38 was \$336,000, and that of imports from Poland less transit rye shipments was \$127,000.

POLAND'S IMPORTS FROM CANADA IN DETAIL

Table XIV, below, shows for 1938 as against 1937 the weight and value of the principal imports into Poland from Canada. The commodities are listed in the order of their importance in 1938.

Following this table is a statistical summary covering Poland's imports of commodities of interest to Canada, with comparative figures for each of the chief supplying countries. Reference to the appropriate commodity heading in this section will suggest the extent of the market in 1937 and 1938 and the sources from which competition had to be met.

IMPORTANCE OF COPPER

The dominant position of copper among commodities imported into Poland from Canada is again emphasized in the appended table. Although the Polish returns indicate a considerable drop in the import value of this item for 1938, this was largely due to lower prices, since the volume of imports decreased to a much less extent. In view of the large increase in total imports and the well-known acceleration in the Polish armament industry during 1938, the decrease in arrivals from Canada is somewhat surprising. Canadian figures for the calendar year 1938 show exports of copper to Poland of 79,973 cwts. valued at \$793,791, a large increase over the 1937 figures of 59,924 cwts. valued at \$741,678.

IMPORTS OF ALL OTHER COMMODITIES DOUBLED

Deducting the figure for copper, the combined value of Poland's imports from Canada of all other commodities more than doubled in 1938 as against 1937, increasing to 2,125,000 zloty (\$403,750) from 1,006,000 zloty (\$191,140). This was due for the most part to appreciably increased purchases of Canadian asbestos, motor car tires, apples, aluminium, zinc, patent leather, nickel, rags, and rubber gloves.

The following table shows Poland's imports from Canada in the order of their importance in 1938, with comparative figures for 1937:—

TABLE XIV
POLAND'S IMPORTS FROM CANADA

Commodity	1937		1938	
	Quintals	1,000 Zloty	Quintals	1,000 Zloty
Total imports . . . . .	.....	6,316	.....	5,943
Copper	33,718	5,310	31,712	3,818
Asbestos	8,777	408	13,850	787
Furs of all kinds	11	281	15	274
Motor car tires	69	25	72	262
Apples	244	8.7	3,046	178
Aluminium . . . . .	.....	.....	622	143
Zinc white . . . . .	.....	.....	4,010	82
Lacquered (patent) leather	14	33	30	65
Animal intestines (sausage casings)	376	45	273	40
Nickel . . . . .	.....	.....	91	38
Selenium	11	20	17	29
Acetylene carbon black	105	42	8.8	23
Castoreum	1	13	0.7	22
Rags	63	12	73	18

TABLE XIV—*Concluded*
POLAND'S IMPORTS FROM CANADA

Commodity	1937		1938	
	Quintals	1,000 Zloty	Quintals	1,000 Zloty
Rubber, crude . . . . .	....	....	42	15
Lobsters, tinned	28	16	26	15
Sports equipment (chiefly ice hockey skates and equipment)	14	12	13	10
Medicinal herbs	27	16	14	8.7
Rubber gloves	1.1	3	2.5	7.7
Motor car inner tubes	2.3	1	14	5.5
Tin, technically pure . . . . .	....	....	11	5.3
Ochre . . . . .	....	....	75	5.2
Silk strings for musical instruments . . . . .	....	....	7.7	4.3
Sulphuric oils and salts . . . . .	....	....	2	2.8
Calendars and photographs	5.2	5.5	2.1	3.4
Nickel oxide	9	3.1	5	1.9
Pegwood for footwear	11	1.8	11	1.8
Earth and aluminium dyes, colours, etc.	94	7	26	1.7
Alcoholic spirits, including whisky . . . . .	....	....	3	1.3
Pipe fittings	14	7.9	2	1.2

STATISTICAL SUMMARY OF POLISH IMPORTS OF INTEREST TO CANADA

Following are details of all commodities imported into Poland to any measurable extent from Canada in 1938, the items being listed in the order in which they appear in the Polish customs returns. In most cases the weight and value of the total imports are given first, then the weight and value of imports from Canada, followed by the same data for each of the important supplying countries. The figures in brackets refer to 1937; "q." indicates quintals of 220.4 pounds, and "zl." indicates zloty, roughly equal to 19 Canadian cents. In some cases, when a great many countries contributed to the total imports, the specific figures for each are not given.

Fresh Apples.—Total imports, 10,839 q., 714,000 zl. (1,512 q., 83,000 zl.): Canada, 3,046 q., 178,000 zl. (244 q., 9,000 zl.); Italy, 4,480 q., 331,000 zl. (1,024 q., 62,000 zl.); Roumania, 2,780 q., 158,000 zl. (191 q., 8,000 zl.); Hungary, 415 q., 37,000 zl. (nil); Denmark, 82 q., 8,000 zl. (nil).

Plants and Parts of Plants used in Medicines: Seeds, Barks, Roots, Mosses, Lichens, etc.—Total imports, 3,563 q., 460,000 zl. (4,155 q., 499,000 zl.): Canada, 14 q., 9,000 zl. (27 q., 16,000 zl.). Principal suppliers: British India, Chile, Brazil, Algeria, France, Italy, U.S.S.R.

Raw and Salted Animal Intestines (Sausage Casings).—Total imports, 7,844 q., 2,381,000 zl. (12,230 q., 3,614,000 zl.): Canada, 273 q., 40,000 zl. (376 q., 45,000 zl.); China, 694 q., 495,000 zl. (1,264 q., 880,000 zl.); Great Britain, 998 q., 389,000 zl. (1,836 q., 665,000 zl.); Czecho-Slovakia, 179 q., 299,000 zl. (195 q., 255,000 zl.); Netherlands, 701 q., 274,000 zl. (1,164 q., 428,000 zl.); United States, 2,980 q., 268,000 zl. (4,358 q., 393,000 zl.). Other suppliers in order of importance: Denmark, Finland, Germany, Argentina, Sweden, Yugoslavia, Mexico, Hungary, Belgium.

Ambergris, Civit and Crude Musk.—Total imports, 5,000 zl. (3,000 zl.): Canada, 1,000 zl. (nil); France, 4,000 zl. (1,000 zl.).

Castoreum.—Total imports, 23,000 zl. (13,000 zl.): Canada, 22,000 zl. (13,000 zl.).

Asbestos.—Total imports, 24,016 q., 1,300,000 zl. (18,674 q., 949,000 zl.): Canada, 13,850 q., 787,000 zl. (8,777 q., 408,000 zl.); U.S.S.R., 4,937 q., 250,000 zl. (6,889 q., 378,000 zl.); Finland, 2,128 q., 27,000 zl. (477 q., 5,000 zl.); Rhodesia, 1,977 q., 154,000 zl. (1,211 q., 96,000 zl.). In addition, small amounts were imported from former Czecho-Slovakia, Great Britain, France, Germany, and the Union of South Africa.

Zinc.—Total imports, 750,719 q., 5,628,000 zl. (784,000 q., 6,046,000 zl.): Canada, 4,010 q., 82,000 zl. (nil); Germany, 517,154 q., 3,519,000 zl. (490,761 q., 2,181,000 zl.); Italy, 109,647 q., 924,000 zl. (105,140 q., 1,006,000 zl.); Australia, 38,679 q., 311,000 zl. (6,024 q., 130,000 zl.); Roumania, 28,027 q., 132,000 zl. (51,046 q., 511,000 zl.). Other suppliers: Great Britain, Belgium, Mexico, Norway, Sweden, Greece.

Sulphur Oils and Salts.—Total imports, 225 q., 71,000 zl. (257 q., 61,000 zl.): Canada, 2 q., 3,000 zl. (nil); Germany, 96 q., 24,000 zl. (34 q., 9,000 zl.); Switzerland, 93 q., 39,000 zl. (56 q., 16,000 zl.).

Oat Flakes (Rolled Oats) and Other Cereal Products, n.o.p.—Total imports, 1,011 q., 64,000 zl. (923 q., 66,000 zl.); Denmark, 844 q., 49,000 zl. (849 q., 59,000 zl.); Germany, 105 q., 10,000 zl. (51 q., 5,000 zl.). No imports from Canada are shown.

Canned Fish.—Total imports, 6,070 q., 1,096,000 zl. (5,332 q., 900,000 zl.); Canada, nil (105 q., 11,000 zl.); Portugal, 3,021 q., 508,000 zl. (3,242 q., 502,000 zl.); Norway, 1,173 q., 165,000 zl. (\$75 q., 113,000 zl.); France, 549 q., 145,000 zl. (383 q., 122,000 zl.); Sweden, 415 q., 98,000 zl. (282 q., 56,000 zl.); French Morocco, 634 q., 87,000 zl. (339 q., 53,000 zl.); Denmark, 71 q., 49,000 zl. (85 q., 35,000 zl.); Germany, 30 q., 5,000 zl. (nil).

Lobsters, Shrimps, Crayfish, Snails, Oysters, and other Crustaceans and Molluscs.—Total imports, 33 q., 17,000 zl. (28 q., 16,000 zl.); Canada, 26 q., 15,000 zl. (28 q., 16,000 zl.). No figures are given for other countries. Canada's supplies consist for the most part, if not entirely, of canned lobsters and canned salmon.

Liqueurs, Genevas, Brandies, and Whiskies.—Total imports, 289 q., 127,000 zl. (233 q., 108,000 zl.); Canada, 3 q., 1,253 zl. (nil); Great Britain, 141 q., 64,000 zl. (116 q., 59,000 zl.); France, 123 q., 50,000 zl. (107 q., 45,000 zl.).

Selenium.—Total imports, 24 q., 45,000 zl. (16 q., 32,000 zl.); Canada, 17 q., 29,000 zl. (11 q., 20,000 zl.); Great Britain, 3 q., 6,000 zl. (3 q., 7,000 zl.); United States, 2 q., 5,000 zl. (1 q., 2,000 zl.).

Nickel Oxide.—Total imports, 103 q., 30,000 zl. (106 q., 22,000 zl.): Canada, 5 q., 2,000 zl. (9 q., 3,000 zl.); Great Britain, 76 q., 13,000 zl. (80 q., 11,000 zl.); France, 20 q., 13,000 zl. (nil); Sweden, nil (13 q., 3,000 zl.); Germany, nil (4 q., 5,000 zl.).

Soot (Carbon Black).—Total imports, 13,424 q., 1,014,000 zl. (10,084 q., 856,000 zl.): Canada, 88 q., 23,000 zl. (105 q., 42,000 zl.); United States, 13,002 q., 928,000 zl. (9,680 q., 774,000 zl.); Germany, 254 q., 48,000 zl. (246 q., 38,000 zl.); Great Britain, 54 q., 12,000 zl. (nil).

Ochre.—Total imports, 2,616 q., 102,000 zl. (1,600 q., 42,000 zl.): Canada, 75 q., 5,000 zl. (nil); France, 1,874 q., 51,000 zl. (1,421 q., 32,000 zl.); Germany, 667 q., 46,000 zl. (179 q., 9,000 zl.).

Earthen and Aluminium Dyes, Pigments, etc.—Total imports, 16,798 q., 630,000 zl. (10,384 q., 445,000 zl.): Canada, 26 q., 1,724 zl. (94 q., 7,017 zl.); Great Britain, 6,939 q., 270,000 zl. (5,588 q., 211,000 zl.); Germany, 4,024 q., 165,000 zl. (2,826 q., 143,000 zl.); France, 3,809 q., 102,000 zl. (663 q., 30,000 zl.); Netherlands, 1,529 q., 73,000 zl. (1,146 q., 49,000 zl.).

Dyes, Pigments, etc., derived from Iron Oxide.—Total imports, 6,908 q., 433,000 zl. (6,796 q., 454,000 zl.): Canada, 18 q., 1,185 zl. (148 q., 9,876 zl.); Germany, 5,651 q., 373,000 zl. (5,194 q., 352,000 zl.); Great Britain, 586 q., 32,000 zl. (543 q., 40,000 zl.); France, 437 q., 13,000 zl. (493 q., 22,000 zl.); Czecho-Slovakia, 215 q., 14,000 zl. (244 q., 22,000 zl.).

Leather, Lacquered (Patent Leather).—Total imports, 293 q., 671,000 zl. (351 q., 879,000 zl.): Canada, 30 q., 65,000 zl. (14 q., 33,000 zl.); United States, 62 q., 133,000 zl. (121 q., 334,000 zl.); Netherlands, 61 q., 172,000 zl. (49 q., 123,000 zl.); Finland, 42 q., 72,000 zl. (nil); Germany, 33 q., 106,000 zl. (16 q., 40,000 zl.); Belgium, 33 q., 64,000 zl. (20 q., 44,000 zl.); Czecho-Slovakia, 22 q., 34,000 zl. (24 q., 47,000 zl.); Great Britain, 10 q., 23,000 zl. (41 q., 76,000 zl.); Austria, nil (63 q., 174,000 zl.).

Sable, Chinchilla, and Silver (Black) Fox, Raw Fur-Skins.—Total imports, 59 q., 3,177,000 zl. (47 q., 2,868,000 zl.): Canada, 6,000 zl. (nil); Norway, 50 q., 2,629,000 zl. (43 q., 2,619,000 zl.); Sweden, 8 q., 505,000 zl. (2 q., 128,000 zl.); Great Britain, 1 q., 31,000 zl. (1 q., 50,000 zl.); Germany, 6,000 zl. (23,000 zl.); U.S.S.R., nil (16,000 zl.).

Sea Beaver, Ermine, White Fox and Blue Fox.—Total imports, 16 q., 706,000 zl. (24 q., 1,229,000 zl.): Canada, 19,000 zl. (28,000 zl.); Sweden, 8 q., 394,000 zl. (10 q., 505,000 zl.); Norway, 5 q., 182,000 zl. (6 q., 293,000 zl.).

Marten, American Elk and Canadian Marten.—Total imports, 1 q., 134,000 zl. (14,000 zl.): Canada, 30,000 zl. (nil); United States, 1 q., 90,000 zl. (nil); Great Britain, 13,000 zl. (nil). Poland's exports of this fur in 1937 were valued at 296,000 zl.

Freshwater Beaver, Polecat, Lynx, Squirrel, and Other.—Total imports, 96 q., 2,030,000 zl. (59 q., 1,511,000 zl.): Canada, 12 q., 205,000 zl. (89 q., 209,000 zl.); Great Britain, 45 q., 1,121,000 zl. (14 q., 437,000 zl.); United States, 27 q., 491,000 zl. (32 q., 812,000 zl.); Sweden, 8 q., 166,000 zl. (9,000 zl.); Australia, 1 q., 15,000 zl. (nil).

Skunk, Civet, Opossum (American Opossum excepted), Raccoon, Muskrat, Glutton, and Fox, n.o.s.—Total imports, 525 q., 3,467,000 zl. (682 q., 5,465,000 zl.): Canada 1 q., 6,000 zl. (2 q., 31,000 zl.); Australia, 193 q., 1,203,000 zl. (113 q., 783,000 zl.); United States, 138 q., 813,000 zl. (309 q., 2,452,000 zl.); Great Britain, 87 q., 627,000 zl. (128 q., 1,093,000 zl.); New Zealand, 40 q., 262,000 zl. (52 q., 359,000 zl.); Norway, 34 q., 286,000 zl. (6 q., 69,000 zl.); Sweden, 13 q., 122,000 zl. (2 q., 35,000 zl.); Finland, 9 q., 68,000 zl. (35 q., 263,000 zl.).

Pieces of Fur Skins, 15 sq. cm. or less in Surface.—Total imports, 330 q., 1,269,000 zl. (497 q., 1,636,000 zl.): Canada, 2 q., 9,000 zl. (1 q., 3,547 zl.); Great Britain, 128 q., 750,000 zl. (84 q., 17,000 zl.); Germany, 122 q., 249,000 zl. (228 q., 204,000 zl.); France, 73 q., 227,000 zl. (123 q., 618,000 zl.); United States, 4 q., 30,000 zl. (32 q., 144,000 zl.).

Ribbons for Typewriters, Duplicators, and Calculating Machines, on Spools, in Tins, Paper, or Similar Boxes.—Total imports, 4 q., 14,000 zl. (8 q., 21,000 zl.): Canada, nil (nil); Germany, 1 q., 5,000 zl. (1 q., 4,000 zl.); Great Britain, 2 q., 4,000 zl. (2 q., 5,000 zl.); United States, 1 q., 4,000 zl. (5 q., 12,000 zl.).

Rags.—Total imports, 172,657 q., 20,088,000 zl. (236,276 q., 29,004,000 zl.): Canada, 73 q., 18,000 zl. (63 q., 12,000 zl.); Great Britain, 59,815 q., 8,073,000 zl. (66,958 q., 9,503,000 zl.); Netherlands, 30,907 q., 3,437,000 zl. (36,724 q., 4,767,000 zl.); Sweden, 19,566 q., 2,481,000 zl. (22,416 q., 2,606,000 zl.); Belgium, 14,794 q., 2,111,000 zl. (29,385 q., 4,300,000 zl.); United States, 22,881 q., 1,690,000 zl. (32,238 q., 2,577,000 zl.); Germany, 4,203 q., 530,000 zl. (530 q., 42,000 zl.); Austria, nil (15,107 q., 1,927,000 zl.).

Rubber Tires for Motor Cars, Motorcycles, and Airplanes.—Total imports, 8,235 q., 3,506,000 zl. (6,883 q., 2,862,000 zl.): Canada, 724 q., 262,000 zl. (69 q., 25,000 zl.); Great Britain, 4,854 q., 2,112,000 zl. (4,547 q., 1,801,000 zl.); Belgium, 971 q., 478,000 zl. (922 q., 499,000 zl.); Germany, 600 q., 224,000 zl. (230 q., 88,000 zl.); Italy, 560 q., 210,000 zl. (492 q., 226,000 zl.); France, 263 q., 112,000 zl. (260 q., 100,000 zl.); Czecho-Slovakia, 155 q., 54,000 zl. (166 q., 56,000 zl.); United States, 108 q., 54,000 zl. (14 q., 11,000 zl.).

Rubber Inner Tubes for Motor Cars, Motorcycles, and Airplanes.—Total imports, 984 q., 424,000 zl. (823 q., 393,000 zl.): Canada, 14 q., 5,000 zl. (2 q., 1,055 zl.); Great Britain, 629 q., 272,000 zl. (471 q., 237,000 zl.); Belgium, 127 q., 62,000 zl. (138 q., 68,000 zl.); Germany, 92 q., 36,000 zl. (29 q., 12,000 zl.); Italy, 63 q., 27,000 zl. (79 q., 35,000 zl.); Czecho-Slovakia, 40 q., 12,000 zl. (55 q., 18,000 zl.); France, 17 q., 8,000 zl. (25 q., 9,000 zl.).

Rubber Footwear.—Total imports, 305 q., 415,000 zl. (212 q., 278,000 zl.): Canada, nil (nil); Sweden, 280 q., 393,000 zl. (196 q., 271,000 zl.); small amounts from Norway and Latvia.

Rubber Gloves.—Total imports, 12 q., 37,000 zl. (11 q., 32,000 zl.): Canada, 2 q., 8,000 zl. (1 q., 3,000 zl.); Germany, 7 q., 21,000 zl. (4 q., 16,000 zl.); United States, 1 q., 5,000 zl. (1,000 zl.).

Cellulose, not Bleached, containing over 50 per cent Water.—Total imports, 1,597 q., 25,000 zl. (nil): Canada, nil (nil); Czecho-Slovakia, 1,597 q., 25,000 zl.

Cellulose, not Bleached, containing up to 50 per cent Water.—Total imports, 31,136 q., 685,000 zl. (34,455 q., 956,000 zl.): Canada, nil (nil); Czecho-Slovakia, 14,056 q., 325,000 zl. (19,322 q., 516,000 zl.); Sweden, 11,292 q., 238,000 zl. (14,835 q., 432,000 zl.); Finland, 5,494 q., 115,000 zl. (297 q., 8,000 zl.); Germany, 294 q., 7,000 zl. (nil).

Cellulose, Bleached, containing less than 50 per cent Water.—Total imports, 107,066 q., 4,953,000 zl. (194,489 q., 7,950,000 zl.): Canada, nil (nil); Sweden, 56,935 q., 2,848,000 zl. (72,055 q., 2,821,000 zl.); Czecho-Slovakia, 43,040 q., 1,623,000 zl. (115,732 q., 4,727,000 zl.); Finland, 2,682 q., 138,000 zl. (4,181 q., 198,000 zl.); Norway, 2,018 q., 77,000 zl. (nil); France, 1,611 q., 214,000 zl. (675 q., 79,000 zl.); United States, 472 q., 41,000 zl. (933 q., 70,000 zl.); Netherlands, 306 q., 11,000 zl. (592 q., 31,000 zl.); United Kingdom, nil (309 q., 13,000 zl.); Japan, nil (10 q., 10,000 zl.).

Pegwood for Footwear.—Total imports, 87 q., 11,000 zl. (166 q., 18,000 zl.): Canada, 11 q., 2,000 zl. (11 q., 2,000 zl.); Latvia, 56 q., 6,000 zl. (35 q., 3,000 zl.); Germany, 20 q., 3,000 zl. (28 q., 4,000 zl.); United States, nil (86 q., 9,000 zl.).

Copper in Blocks, Ingots, Cast Plates, and Cathodes.—Total imports, 261,271 q., 31,760,000 (172,669 q., 27,832,000 zl.): Canada, 31,712 q., 3,818,000 zl. (33,718 q., 5,310,000 zl.); United States, 111,493 q., 13,284,000 zl. (36,767 q., 5,800,000 zl.); Chile, 100,112 q., 12,551,000 zl. (57,853 q., 9,561,000 zl.); Belgium, 10,963 q., 1,325,000 zl. (40,941 q., 6,694,000 zl.); Rhodesia, 4,066 q., 453,000 zl. (nil); Norway, 1,625 q., 183,000 zl. (1,443 q., 162,000 zl.); Sweden, 599 q., 66,000 zl. (811 q., 138,000 zl.); South Africa, 508 q., 59,000 zl. (nil).

Aluminium in Blocks, Ingots, Cast Plates, and Cathodes.—Total imports, 23,862 q., 5,957,000 zl. (12,063 q., 2,844,000 zl.); Canada, 622 q., 143,000 zl. (nil); Norway, 11,743 q., 2,914,000 zl. (3,200 q., 736,000 zl.); France, 7971 q., 2,001,000 zl. (938 q., 222,000 zl.); Germany, 1,800 q., 481,000 zl. (nil); Belgium, 899 q., 218,000 zl. (nil); Great Britain, 644 q., 155,000 zl. (nil); Switzerland, 173 q., 42,000 zl. (nil); Austria, nil (7,925 q., 1,886,000 zl.).

Nickel and other Metals, n.o.s. with Their Alloys, in Blocks, Ingots, Cubes, Pellets, Cones, and Cathodes.—Total imports, 6,475 q., 2,993,000 zl. (7,193 q., 3,464,000 zl.): Canada, 91 q., 38,000 zl. (nil); Great Britain, 5,727 q., 2,641,000 zl. (6,451 q., 3,090,000 zl.); Netherlands, 447 q., 209,000 zl. (409 q., 200,000 zl.); United States 135 q., 64,000 zl. (nil); Norway, 47 q., 22,000 zl. (nil); Czecho-Slovakia, 20 q., 13,000 zl. (30 q., 20,000 zl.); Germany, 8 q., 6,000 zl. (nil).

Safety Razor Blades.—Total imports, 46 q., 398,000 zl. (43 q., 311,000 zl.): Canada, nil (nil); Great Britain, 27 q., 298,000 zl. (21 q., 205,000 zl.); Germany, 14 q., 76,000 zl. (13 q., 62,000 zl.); Sweden, 3 q., 15,000 zl. (4 q., 23,000 zl.).

Fittings for Steam, Liquid, Gas, or Air Pipes of Copper, and Copper Alloys.—Total imports, 1,021 q., 1,633,000 zl. (1,051 q., 1,433,000 zl.): Canada, nil (14 q., 8,000 zl.); Germany, 729 q., 1,105,000 zl. (385 q., 480,000 zl.); Great Britain, 153 q., 283,000 zl. (116 q., 154,000 zl.); France, 92 q., 83,000 zl. (74 q., 86,000 zl.); Czecho-Slovakia, 15 q., 14,000 zl. (5 q., 8,000 zl.); Belgium, 11 q., 91,000 zl. (nil); United States, 9 q., 37,000 zl. (11 q., 20,000 zl.); Sweden, 7 q., 13,000 zl. (7 q., 11,000 zl.); Austria, nil (432 q., 649,000 zl.).

Internal Combustion Motors, Stationary or Travelling.—Total imports, 5,766 q., 2,030,000 zl. (3,846 q., 1,806,000 zl.): Canada, nil (nil); Germany, 3,365 q., 1,263,000 zl. (1,235 q., 553,000 zl.); Great Britain, 408 q., 184,000 zl. (644 q., 167,000 zl.); United States, 355 q., 171,000 zl. (241 q., 104,000 zl.); Switzerland, 565 q., 144,000 zl. (828 q., 587,000 zl.); Czechoslovakia, 723 q., 141,000 zl. (172 q., 32,000 zl.); Sweden, 136 q., 67,000 zl. (167 q., 101,000 zl.); France, 152 q., 40,000 zl. (66 q., 20,000 zl.); Denmark, 32 q., 15,000 zl. (25 q., 11,000 zl.).

Typewriters, Each weighing over 10 Kilos.—Total imports, 406 q., 843,000 zl. (429 q., 920,000 zl.): Canada, nil (5 q., 12,000 zl.); Germany, 201 q., 439,000 zl. (165 q., 382,000 zl.); United States, 186 q., 359,000 zl. (207 q., 415,000 zl.); Great Britain, 8 q., 18,000 zl. (4 q., 7,000 zl.); Italy, 3 q., 7,000 zl. (5 q., 11,000 zl.); Sweden, nil (5 q., 11,000 zl.); Switzerland, nil (3 q., 8,000 zl.).

Typewriters, Each weighing less than 10 Kilos.—Total imports, 362 q., 959,000 zl. (314 q., 811,000 zl.): Canada, nil (nil); Germany, 194 q., 525,000 zl. (161 q., 412,000 zl.); United States, 106 q., 269,000 zl. (116 q., 296,000 zl.); Switzerland, 37 q., 92,000 zl. (16 q., 41,000 zl.); Italy, 15 q., 40,000 zl. (11 q., 31,000 zl.); France, 4 q., 13,000 zl. (nil); Great Britain, 4 q., 10,000 zl. (9 q., 25,000 zl.); Sweden, 2 q., 7,000 zl. (nil).

Calculating and Recording Machines and Parts.—Total imports, 984 q., 4,334,000 zl. (675 q., 2,827,000 zl.): Canada, nil (nil). Principal suppliers: Germany and the United States, with Sweden, Switzerland, and Great Britain shipping smaller amounts.

Silk Strings for Musical Instruments.—Total imports, 2 q., 19,000 zl. (4 q., 26,000 zl.): Canada, 1 q., 4,000 zl. (nil); Germany, 1 q., 9,000 zl. (1 q., 11,000 zl.); Great Britain, nil (1 q., 6,000 zl.); Czechoslovakia, nil (2 q., 9,000 zl.).

Ice Skates and Roller Skates.—Total imports, 35 q., 37,000 zl. (37 q., 49,000 zl.): Canada, 13 q., 10,000 zl. (12 q., 10,000 zl.); Germany, 19 q., 25,000 zl. (20 q., 32,000 zl.); Sweden, nil (4 q., 5,000 zl.).

Sports Equipment.—Total imports, 26 q., 14,000 zl. (8 q., 15,000 zl.): Canada, nil (2 q., 2,000 zl.); Germany, 23 q., 8,000 zl. (4 q., 3,000 zl.); Sweden, 3,000 zl. (4,000 zl.); United States, 1 q., 2,000 zl. (nil); Great Britain, nil (1 q., 4,000 zl.); Belgium, nil (2,000 zl.).

POLAND'S EXPORTS TO CANADA

Poland's total direct sales (excluding the transit rye) to Canada have steadily increased since 1933. Table XV below shows the weight and value of all items of any importance exported to Canada in 1938, with comparative figures for 1937.

The value of total exports to Canada increased from 1,006,000 zl. (\$191,000) in 1937 to 1,381,000 zl. (\$262,000) in 1938, a rise of over 33½ per cent. This increase could be more than accounted for, however, by the single item peas, exports of which improved from 162 tons valued at 59,300 zl. (\$11,300) in 1937 to 1,155 tons valued at 416,700 zl. (\$79,200) in 1938.

Among other exports which showed an increase in 1938 as against 1937 were bentwood furniture, hops, fodder plant seeds, glue, utensils of enamelled sheet iron, birds' down and feathers, and animal intestines.

Among exports which showed a decrease were cotton piece-goods, glass-ware, books and calendars, woollen piece-goods, cotton gloves, and plywood. The falling off in the last item was very marked.

The considerable number of people of Polish origin (145,503 at last census of 1931) and of Ukrainian origin (225,113 at last census) living in Canada undoubtedly supplies the demand for an appreciable share of the Polish goods exported to Canada each year.

Hopes have been expressed in Polish trade circles that exports of some lines will increase henceforth through transfer of a portion of the trade formerly done from Czechoslovakia. Among the items which might be benefited in this way are bentwood furniture, cotton gloves, woollen scarves and shawls, glass-ware, and hops.

The following table shows Poland's exports to Canada in 1938, with comparative figures for 1937.—

TABLE XV

POLAND'S EXPORTS TO CANADA

Commodity	1937		1938	
	Quintals	1,000 Zloty	Quintals	1,000 Zloty
Total exports . . . . .	....	1,006	....	1,381
Peas	1,620	59	11,548	417
Fodder plant seeds (clover, lucerne, etc.) . . . . .	....	....	189	53
Sugarbeet seeds	296	19	846	55
Poppy seeds . . . . .	....	....	98	8
Shelled peas	98	3	....	....
Hops . . . . .	....	....	300	81
Dried mushrooms	19	19	32	37
Birds' down and cleaned feathers	0.4	0.8	17	18
Uncleaned feathers	1	0.7	3	2
Ornamental feathers	12	12	....	....
Cleaned bristles	2	3	....	....
Animal guts, bladders, sinews, etc.	10	11	15	16
Glycerin	256	98	....	....
Ham in tins	392	114	247	70
Alcoholic beverages, incl. vodka	23	5	48	11
Ammonium chloride	20	2	50	1
Carbonate of ammonia . . . . .	....	....	30	1
Zinc white	20	2	37	2
Means for cleaning and lubrication . . . . .	....	....	11	2
Glue made of bones, or other animal offals . . . . .	....	....	379	36
Hides or skins, mineral tanned, n.o.p. . . . .	....	....	....	....
natural colour or blackened	0.7	2	....	....
Marten, American and Canadian, raw	0.3	21	....	....
Freshwater beaver, marsh beaver, polecat, lynx, squirrel, Siberian squirrel, other	1	9	....	....
Tanned caraculs	0.7	5	243	....
Manufactures of hide, or skin, or of leather, n.o.p.	1	2	1	2
Woollen piece-goods	13	30	6	14
Woollen scarves and shawls	0.5	1	....	....
Cotton fabrics	264	94	264	82
Tissues of flax, hemp, ramie, etc.	0.2	0.2	20	10
Curtain material . . . . .	....	....	3	3
Cotton gloves	15	42	4	12
Artificial silk gloves . . . . .	....	....	1	6
Blankets	3	2	3	2
Overcoats, coats and capes for men . . . . .	....	....	0.5	2
Men's clothing, other	167	57	147	54
Plywood	1,095	41	90	5
Bentwood furniture and parts	819	126	1,061	160
Other furniture and parts, wooden wares, n.o.p.	0.4	0.6	34	5
Basketware	52	5	187	16
Books, pamphlets and calendars	58	25	36	21
Stonewares	26	2	26	4
Utensils and wares of pottery, fireproof, of stoneware, n.o.p. . . . .	....	....	65	4
Earthenware utensils	250	14	251	14
Glassware	412	136	326	79
Kitchen utensils	23	4	....	....
Iron and steel tubes	91	3	....	....
Utensils of enamelled sheet iron	100	16	132	22
Bells	2	2	3	2
Knives and forks	0.6	0.5	0.9	1
Cutlery ware	2	1	4	2
Berets	2	3	1	2
Christmas tree ornaments . . . . .	....	....	7	1
Skiing sticks . . . . .	....	....	11	3

TRADE COMMISSIONERS ON TOUR

Mr. P. V. McLane, Canadian Trade Commissioner at Kobe, Japan, and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories.

Mr. Strong's itinerary is as follows:—

Kingston	Aug. 7	Charlottetown	Sept. 1
Montreal	Aug. 8 to 18	Quebec	Sept. 3
Fredericton and other points in N. B.	Aug. 21 to 23	Ottawa	Sept. 5
Halifax	Aug. 30		

Mr. McLane will be in Vancouver from September 5 to 15.

Firms wishing to be brought in touch with the Trade Commissioners should communicate: for Vancouver, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

FEEDSTUFFS IN THE UNITED KINGDOM

A SURVEY BY CANADIAN TRADE COMMISSIONERS IN THE UNITED KINGDOM

III

Oil Cakes and Meals

Oil Extraction.—Oil cakes and extracted meals result from three processes of removing oil from seeds and nutmeats:—

(1) Direct pressure, frequently hydraulic, squeezes out the oil and compresses the residue into a hard dense cake or slab, which usually retains oil to the extent of 5 or 10 per cent.

(2) The expeller or screw-press process, which is continuous and produces a residue of highly-compressed meal in pieces of a size suitable for feeding purposes and of 1 to 2 per cent less oil than the direct pressed residue.

In either case, decortication or the removal of the husk, if desired, is a preliminary process.

(3) Extraction by solvents such as gasoline, benzine, alcohol, carbon bisulphide, etc., is effected by dissolving out the oil and distilling off the solvent; the residue, after being cleaned and dried, is sold as an extracted meal which contains much less oil than do the residues of either of the other processes and is considered to have a slightly poorer feeding value. Extracted meals should not be confused with ground meals.

Domestic Production.—Total domestic production of oil seed cake and meal in 1935 was 1,688,900 long tons valued at £10,008,000. This was made up as follows: coconut, 37,000 tons, £206,000; cotton-seed, 437,200 tons, £1,955,000; groundnut (peanut), 48,500 tons, £301,000; linseed, 157,600 tons, £1,275,000; palm kernel, 70,000 tons, £382,000; rape seed, 17,400 tons, £72,000; soya bean, 105,700 tons, £694,000; compound cakes, sweetened, 473,700 tons, £2,899,000; compound cakes, unsweetened, 305,600 tons, £2,074,000; miscellaneous cakes and meals, 36,200 tons, £150,000. In addition, there was incidental production of oil cake and meal to the amount of 8,000 tons (£66,000), and of compound cakes and meals to the total of 41,000 tons (£260,000), by the grain-milling industry; also 37,300 tons (£282,000) of ground oil seed cake, and 576,800 tons (£4,145,000) of compound cakes and meals were produced by the cattle, dog, and poultry feeds trades.

Regardless of extensive domestic production, the importation of oil seed cakes and meals aggregates well over half a million long tons annually.

Details concerning the more important varieties are discussed below, but the following table of total importations of oil seed cakes and meals (except husk meal) will be of interest.

Total Imports of Oil Seed Cakes and Meals

	1936		1937		1938*	
	Tons	£	Tons	£	Tons	£
Total	545,315	2,876,082	636,423	4,078,568	663,428	3,903,939
British countries . . .	250,376	1,551,170	324,224	2,402,086	.....	.....
Foreign countries . . .	294,939	1,324,912	312,199	1,676,482	.....	.....

* Preliminary statistics, details not yet published.

COTTON-SEED CAKE OR MEAL

Cotton-seed cakes or meals, not decorticated, are officially defined: "The residue resulting from the removal of oil from commercially pure cotton seed, not decorticated." Cotton cakes or meals from decorticated or partly decorticated seed are officially defined: "The residue resulting from the removal of oil from commercially pure cotton seed from which the cortex, in whole or in part, has been removed." The trade associations define cotton-seed cake meal as the product of the cotton seed only, composed principally of the kernel, with such portion of the fibre or hull and oil as may be left in the course of manufacture. The associations recognize the following grades, all of which must be finely ground though not necessarily bolted:—

Choice.—Perfectly sound and sweet in odour, yellow, and free from excess of lint.

Prime.—Of sweet odour, reasonably bright in colour, yellow, not brownish or red, and free from excess of lint.

Good.—Of sweet odour and reasonably bright in colour.

DESCRIPTION

The common or undecorticated cotton cake can be recognized by the presence of large numbers of almost black husks. It contains over 20 per cent fibre because of the presence of the husks and lint. The protein content ranges from 20 to 23 per cent and the oil content is about 5 per cent. The two main kinds are Egyptian and Bombay. The decorticated cotton cake is bright yellow in colour and rather hard. It is rich in protein, 41 to 43 per cent, and in oil, about 8 per cent, and contains very little fibre, 7 to 8 per cent. It has been found to have high feed value and is valuable for cattle and sheep when used with discretion. It is when ground to powder that it is known as decorticated cotton cake meal, or yellow meal; this is the form in which it is more frequently found. Originally it was imported in quantities from the United States, but now comes largely from Egypt. Egyptian cotton-seed cake is in slabs; the minimum content of protein is about 22 per cent and of oil about 4½ per cent, while the fibre content is about 21 per cent. Extracted meal is also available. It contains only 1 or 2 per cent oil and is correspondingly lower in food value, but for some purposes may gain in acceptability.

IMPORTS

Importations of cotton-seed cake and meal in 1936, 1937 and 1938 were as follows:—

Imports of Cotton-seed Cake and Meal

	1936		1937		1938*	
	Tons	£	Tons	£	Tons	£
Total	207,469	877,030	234,096	1,201,310	268,586	1,273,755
Egypt	147,284	544,577	171,507	788,921	217,294	965,448
Argentina	27,845	160,399	12,902	87,553	.....	.....
India and Burma . . .	6,163	36,735	12,260	87,141	.....	.....
Turkey	6,136	34,342	12,087	82,397	.....	.....

* Preliminary statistics, no other details yet published. Other countries of supply are Brazil, Peru, Haiti, Chile.

LINSEED CAKE AND MEAL

Linseed cake, or the meal of such cake, is officially defined: "The residue resulting from the removal of oil from economically pure linseed." Linseed meal is officially defined: "The meal obtained by grinding or crushing commercially pure linseed." (The regulations made in pursuance of the Canadian Feeding Stuffs Act define linseed meal as the ground product obtained after extraction of part of the oil from ground flaxseed, and define ground flaxseed or flaxseed meal as the product obtained by grinding flaxseed. The different method of description should be noted.)

DESCRIPTION

Imports from Canada have decreased steadily. They have been limited to some degree by the hardness and, particularly, the low oil content of the Canadian cake, which resembles extracted meal in that the oil content is as low as 5 or even 3 per cent. The business which has been done in Canadian cake may have been partly for re-export, either in the cake as received or ground to the requirements of other markets.

Linseed meal has a protein content of about 24 per cent, an oil content of over 36 per cent, and a fibre content of 5 or 6 per cent. It is not used widely. The demand in the United Kingdom is principally for cake, or meal from cake (not to be confused with linseed or extracted linseed meal), with an oil content of about 10 per cent (the limit may drop as low as 9 per cent or run as high as 12 per cent). Protein content is about 28 to 30 per cent, fibre content 9 per cent, and ash about 5 per cent. Sales are usually on the basis of a guaranteed analysis to comply with the law of the United Kingdom, oil content being the important factor.

The cake is imported in two distinct forms: (1) the slab cake, similar to that known more generally in Canada; and (2) the expeller cake, which is thin and biscuit-like or fine and soft, and consequently more palatable. The first derives from the process of extracting oil by pressure; the second is the residue of the grinding process for expelling oil. The meal is used principally for fattening, and the ease of mixing and more acceptable flavour of the expeller meal give it ready sale.

IMPORTS

Importations of linseed cake and meal have declined in quantity in recent years. This is shown in the following figures of imports in 1936, 1937, and 1938:—

Imports of Linseed Cake and Meal

	1936		1937		1938*	
	Tons	£	Tons	£	Tons	£
Total	80,234	506,166	74,841	588,836	53,749	439,242
India	55,902	359,507	47,789	384,917	36,572	304,725
United States	12,931	78,609	21,109	156,312	13,822	107,752
Argentina	4,051	23,873	2,833	23,812	1,479	12,007
Brazil	2,165	13,034	908	7,039	....	....
Canada	1,078	7,573	499	4,235	400	3,659

* Preliminary statistics.

CERTIFICATE OF ORIGIN

The following order from the Customs requiring special evidence, additional to the certificate of origin, to establish claims to preference of linseed cake and meal imported from Canada should be noted:—

Linseed cake and meal do not qualify for preference when made from linseed of non-Empire origin accordingly, as from the 5th July, 1937, the admission to preference of these goods from Canada will be conditional upon the production of evidence in the following form:—

(i) Certificate of origin on Form 120(Sale).

- (ii) Documentary evidence (e.g., invoices or customs entries) of the country of origin of the linseed.
- (iii) Declaration that the goods covered by the certificates of origin were made solely from the linseed to which the above documentary evidence relates.

In order to qualify for preference, linseed cake and meal shipped from Canada must contain not less than 25 per cent Empire labour and/or materials, calculated in accordance with the imperial preference regulations.

SOYA BEAN CAKE AND MEAL

The increasingly widespread use of soya beans industrially, with particular reference to the oil, has brought a steadily expanding supply of domestically produced meal on the market. The average yield of good oil (low in free fatty acids) is about 16 per cent, and the residue therefore bulks large. The oil content of the bean is, to all intents and purposes, the decisive factor in its marketability. At times when the demand for residue has been satiated to such a degree as seriously to affect price, British extractors have been known to import unrefined soya oil rather than be burdened with excess quantities of meal.

DESCRIPTION

Soya cake or meal is officially defined: "The residue resulting from the removal of oil from commercially pure soya beans." In general it may be said that soya bean cake is hard, light-coloured, and very rich in protein. The main differentiation between cake and meal lies in the oil content; the cake, having a higher content, is used largely for direct feeding to cattle, while the meal, containing much less oil, finds its chief use as a feedstuff in mixes for poultry, etc. The uses are also related to the nature of each material; the cake, having been pressed hard, must be broken up before use, while the crumbly meal can be blended in any mix. It is probably this low oil content that makes soya meal attractive to the British farmer who regards feed meals of high oil content with disfavour. Crushing is therefore not usually sufficient; the oil must be extracted, usually chemically, both to obtain the optimum quantity of oil and to leave the most acceptable class of meal. Soya cake is customarily purchased with a guaranteed maximum oil content of 5 or 6 per cent, and a protein content of about 40 per cent to 43 per cent. Soya meal usually contains about 1 per cent oil (which should be regarded as a maximum) and has a protein content of 44 per cent or even up to 50 per cent. Fibre content in each case is about 5 per cent. Sales are based on sample and analysis. The cake, being in slab, is purchased in bulk, while the meal is usually in jute bags of 112 pounds.

IMPORTS

At one time importations were substantial and the Danish meal, produced with a low oil content by the solvent extraction process, was in chief favour and brought attractive prices. With the increase of the customs duty on foreign meal to 20 per cent, the trade decreased appreciably; in fact, small lots have been exported. The increase in the import duty apparently did not result in greatly increased importations of soya beans, but appears rather to have turned the trade, at least in part, to other oil seeds and particularly to those produced within the British Empire.

Imports of soya bean cake and meal rose sharply from 8,750 tons in 1934 to 32,781 tons in 1935, then declined moderately to 26,188 tons in 1936. In the light of the development just previously noted and of the figures in the table below, the conclusion is inevitable that the increased imports in 1935 and 1936 were almost entirely to supplement domestic supplies. Keeping in mind the extensive crushing and extracting industry in the United Kingdom, it may be expected that, apart from any expansion in uses, importations of meal will not be of materially greater dimensions than in recent years.

The following table shows the imports of soya bean cake and meal in 1936, 1937, and 1938:—

Imports of Soya Bean Cake and Meal

	1936		1937		1938*	
	Tons	£	Tons	£	Tons	£
Total	26,188	155,368	20,952	142,138	7,891	59,219
Denmark	25,180	148,558	20,025	134,461	2,613	21,421
Canada	9	103	19	365	374	2,889
Other foreign countries . . .	999	6,707	908	7,312	4,904	34,909

* Preliminary statistics. The increase from other foreign countries in 1938 was entirely from the United States.

RAPE-SEED CAKE OR MEAL

Rape-seed cake or meal is defined officially as "the residue resulting from the removal of oil from commercially pure rape seed." It is one of the lesser-known oil-seed cakes. The quality usually imported has a protein minimum of 34 to 36 per cent, a fibre maximum of 8 per cent, and an oil minimum of 8 to 10 per cent. As the material is frequently in slabs, shipments are usually in bulk.

Rape-seed cake has never become popular. Local production is small and importations have been limited, as indicated by the following statistics for recent years:—

Imports of Rape-seed Cake and Meal

	1936		1937	
	Tons	£	Tons	£
Total	16,030	67,247	20,599	107,456
Argentina	3,457	13,939	7,044	38,222
Roumania	6,344	26,689	7,001	34,465
Yugoslavia	4,688	19,835	3,224	17,262
Italy	492	2,402	2,612	13,528
British countries	100	536	666	3,685

No separate statistics for 1938 are yet available.

NUT CAKES AND MEALS

Nut cakes or meals, including coconut, copra, palm kernel, and ground-nut (peanut) cakes and meals are officially defined: "The residue resulting from the removal of oil from commercially pure nut kernels."

PALM KERNEL

Palm kernel cake and meal, almost unknown in the United Kingdom until twenty years ago, is now used largely, and has been found a cheap and safe food for many kinds of stock, particularly cattle, but also for hogs and even horses. It may be used in larger quantities than some other cakes because it is not so rich in protein.

There are two kinds of palm-kernel meal: palm-kernel cake meal, which is ground cake containing about 6 per cent of oil; and extracted palm-kernel meal, which contains only about 2 per cent or less of oil. Each has a minimum protein content of approximately 18 per cent. The colour should be bright and the grinding fine. Sales are based on a guaranteed analysis, and the material must be guaranteed free of castor seed. The cake is imported in bulk and the meal in bags, preferably of 112 pounds. Supplies are mainly from domestic mills.

Palm-kernel cake and meal were not separately classified in the official statistics of imports until 1935, in which year imports amounted to 1,904 long tons valued at £8,414, but apparently imports were not sufficiently heavy to warrant the maintenance of separate statistics and they were discontinued.

COCONUT

Coconut cake is rather similar to palm-kernel cake, but has not become widely used. The protein content is about 21 per cent and the oil about 8 per cent.

GROUND-NUT (PEANUT)

Ground-nut (peanut) cake, which also found a place in this market about twenty years ago, now rivals cotton-seed and linseed cakes in the esteem of the farmer. It is made in three qualities. Decorticated ground-nut cake is a feeding stuff of very high value, containing as much as 46 per cent protein, 7 to 8 per cent oil, and only 6 to 7 per cent fibre. It is somewhat similar in composition to decorticated cotton-seed cake, but much softer. Undecorticated ground-nut cake, which contains the husks, is rather lower in food value because it contains upwards of 23 per cent fibre; but it is still a very valuable feed-stuff, having a protein content of 30 per cent and an oil content of over 9 per cent. Semi-decorticated ground-nut cake is intermediate in composition. All three have been found valuable for milch cows, for fattening cattle and for sheep. There is also a coarse meal which has a lower oil content of about 1 per cent as compared to 6 to 7 per cent in the higher-class cakes. The material is usually sold on sample but must be guaranteed free of castor seed.

Imports of Ground-nut Cake and Meal

	1936		1937		1938*	
	Tons	£	Tons	£	Tons	£
Total	180,576	1,112,280	256,052	1,876,403	280,637	1,867,597
India and Burma. . .	173,137	1,067,350	249,084	1,825,691	275,356	1,833,215
Other Brit. countries.	2,212	14,178	4,426	32,619	2,140	14,192
Foreign countries†. .	5,227	30,752	2,542	18,093	3,141	20,190

* Preliminary statistics. † Mainly Argentina.

OTHER OIL SEED CAKES AND MEALS

Importations of sundry oil cakes and meals, not already discussed, were as follows in 1936 and 1937:—

Imports of Other Oil Seed Cakes and Meals

	1936		1937	
	Tons	£	Tons	£
Total	34,818	157,991	29,883	162,425
Java	7,821	29,262	6,690	31,093
India and Burma	1,905	11,396	3,326	22,243
Egypt	947	4,709	3,404	19,331
Sudan	2,042	10,358	2,343	14,627
Argentina	3,788	19,843	1,588	10,336
Bulgaria	5,422	26,585	1,192	7,541
Belgium	2,448	7,011	2,239	7,522
Canada	455	2,671	400	3,264
Other British countries	3,205	16,477	3,307	21,735
Other foreign countries	6,785	29,679	5,394	24,733

Separate statistics of importations in 1938 have not yet been published but a preliminary figure for sundry feeding cakes and meals, including rape seed and soya bean as well as the above sundry group, gives a total of 60,456 tons valued at £323,345.

Two of the feedstuffs included under this heading are probably:—

Sesame cake, which has a feeding value rather similar to that of the better-known oil cakes, having about 45 per cent protein and 12 per cent oil. This feed is not popular.

Sunflower cake, which was imported from Russia in fairly large amounts up to a few years ago. Importations at the present time are believed to be small. There is, however, a fair importation of the seed and the resultant cake probably comes on the market in compound feeding cakes. The decorticated cake

contains about 37 per cent protein, 13 per cent oil, and 12 per cent fibre; while the undecorticated cake contains only 19 per cent protein and 7 per cent oil, but has 30 per cent fibre.

COMPOUND CAKES AND MEALS

Compound cakes or meals are officially defined: "Cakes or meals (other articles mentioned in the First or Second Schedules (of the Feeding Stuff Act) with any cakes or meals produced by grinding, crushing, or otherwise treating together, or by mixing together after being separated, crushed, ground, or otherwise separately treated, any two or more raw materials out of which such articles are produced or any one or more of such materials with any other substance or substances."

Compound or mixed cakes and meals are used very largely, but it is not possible to describe them definitely. They are usually sold as proprietary feeds, cakes, meals, etc. Even though the analysis may be the same, the materials used vary so much and change from time to time so as to make it impossible to estimate their content of digestible nutrients and their feeding value. There is, however, an increasing number of compound feeding stuffs of declared composition on the market, and they are finding a good sale among the smaller farmers who lack facilities for buying, storing, and mixing separate feeding stuffs in quantity.

The bulk of the business is in the hands of the United Kingdom manufacturers. The extent of importations is rather indefinite but is believed limited. However, under the heading "feeding stuffs for animals, not elsewhere specified, not sweetened," there is a fair value of importations which may be expected to include some such compound feeding stuffs, and it is possible that some compounded meals may be included under the heading "other oilseed cake and meal."

FEEDSTUFFS, N.O.P.

It is impossible to discover with any degree of accuracy what items may be included under this general heading but the following import statistics for 1936 and 1937 may be of interest:—

Imports of Feedstuffs, N.O.P., Unsweetened

	1936		1937	
	Tons	£	Tons	£
Total	77,446	500,273	75,317	562,170
Netherlands	1,485	14,886	7,635	103,849
Canada	8,094	52,696	12,547	78,755
Egypt	17,654	73,982	11,666	59,832
Ireland	13,839	68,432	11,634	59,530
Argentina	8,546	57,928	4,832	40,400
United States	3,369	28,124	1,880	33,328
Australia	1,226	19,402	1,743	30,715
France	2,002	10,579	3,938	24,904

No separate statistics for 1938 have yet been published.

Sundry Feedstuffs

DRIED MILK

Milk and its by-products are available in natural, semi-dried and dried forms, but only the latter forms are of immediate interest. Dried milk and condensed milk either whole or separated, dried and semi-solid buttermilk, dried and paste whey are all used usually in varying proportion with such feedstuffs as linseed or linseed cake, meal, fish meal, bean meal, etc.

The total consumption of these milk powders ranges from 6,000 to 10,000 tons a year according to price. With present low prices the figure will be around 10,000 tons. While no exact proportions can be given, it is estimated

that at present 10 per cent of the consumption is whey powder, 10 per cent is buttermilk powder, and 80 per cent is separated milk powder. However, buttermilk powder may range as high as 50 per cent and separated milk as low as 40 per cent. Whey powder consumption remains fairly constant.

Importations of milk powders are quite heavy, amounting to 219,144 cwts. (£390,284) in 1935 and 241,809 cwts. (£430,262) in 1936. In 1937, a sub-classification of statistics was introduced, showing that imports of skimmed milk powder, part of which may find its way into feedstuffs, amounted to 148,839 cwts. (£189,930) in 1937 and 263,004 cwts. (£391,474) in 1938. The latter figure is very high and in 1938 the milk powder market was greatly upset. As a result, future imports cannot be expected to be as high as in 1938. No separate statistics are available of imports of whey, buttermilk or similar sundry powders, but in 1938 the total imports of all such miscellaneous milk powders amounted to about 76,000 cwts.

Domestic production of milk powder in 1935 totalled 410,000 cwts., of which 160,300 cwts. (£173,000) was skimmed milk powder; but the output has increased greatly since that time.

FEEDING SEEDS

The feeding seeds imported into the United Kingdom are mainly of a class not produced in Canada. Consequently this phase of the market is of little interest to Canadian exporters except as regards the general nature of the material imported. The following table shows the imports of feeding seeds in 1936, 1937, and 1938:—

Imports of Feeding Seeds

	1936		1937		1938*	
	Tons	£	Tons	£	Tons	£
Total	51,814	424,320	36,550	455,144	41,674	440,575
Dari or durra	10,563	48,323	6,787	38,886	.....	.....
Millet	21,915	107,285	7,452	80,889	.....	.....
Canary	7,511	158,806	10,205	205,594	.....	.....
Other seeds	11,825	109,906	12,106	129,775	.....	.....

* Preliminary statistics, not yet published in detail.

The dari or durra are supplied by countries in the Near East; the millet by Mediterranean countries, Argentina, and sometimes Russia; the canary seed by Mediterranean countries and Argentina; and the remainder by countries in the Far East, the Near East, and Argentina.

YEAST

Dried yeast is officially defined: "An article produced by drying yeast or yeast residues, to which no other matter has been added." The type usually imported for feedstuff is pure unextracted dried yeast which is flaked or finely ground, the latter form commanding a premium of about 10s. a long ton over the flaked. The usual requirement is 44-45 per cent protein, and a guaranteed analysis is generally expected. Packing is preferably in new bags, usually of 112 pounds each. The principal suppliers are the English and Irish brewers. Canadian producers have seldom been greatly interested in this market as they have generally been able to obtain more remunerative prices elsewhere.

BREWERS' AND DISTILLERS' GRAINS AND CULMS

Dried brewery grains are officially defined: "The article produced by drying the residue of malted and unmalted cereals used in brewing, to which no other matter has been added." Malt culms are officially defined: "The rootlets and shoots arising from the screening of malt, to which no other matter has been added."

Brewers' and distillers' grains (dried) and malt culms are found more suitable for working or breeding than for fattening. The wet or fresh grains find use as a cheap food for milk production but are available only to the few because of their perishable nature and bulk. Due to the large quantities available in the United Kingdom, there is no importation.

MOLASSES FEEDS

Molasses feeds are officially defined: "Any mixture, containing not less 10 per cent of sugar, of an absorbent material and treacle or molasses." Treacle or molasses in turn is officially defined: "A concentrated syrup product obtained in the manufacture of sugar from sugar cane or sugar beet, to which no other matter has been added."

Molasses feeds frequently consist of treacle or molasses absorbed in some spongy material such as sugar cane pith, peat moss, etc. (the presence of which must usually be declared). The food value is ordinarily found almost entirely in the molasses, which is used largely in the manufacture of such feedstuffs and also for enhancing the palatability of feeds such as chaff, palm-kernel, cake, etc. Importations are negligible, partly because of the customs duty on material containing sugar.

Domestic production of molasses feeds in 1935 amounted to 30,900 tons valued at £148,000. In addition the seed-crushing trade, as already noted, produced 473,700 tons, valued at £2,988,000, of sweetened compound cakes and meals.

SHELL

Poultry grit of various kinds is crushed, ground and graded by a number of feed manufacturers in the United Kingdom. Flint grit in several colours and grades, pure limestone grit (99 per cent or higher of calcium carbonate) as well as limestone "flour," shell gravel, and other forms of calcium are sold.

There is a large demand for shell, which is produced mainly from local broken oyster shell and is also imported in fair volume, principally from the United States.

IMPORTS

The exact quantities imported are not definitely indicated in the official statistics, but the importations of shells other than mother of pearl give some idea of the proportions of the trade. Small quantities of expensive shell are included under this heading as coming from a large number of tropical countries; these arrivals are obviously not for poultry grit. Of total imports amounting to 28,781 tons valued at £94,893 in 1938, the United States supplied 26,439 tons valued at £62,966. It may safely be assumed that all or most of this was poultry shell. It is also probable that the total from Denmark of 1,962 tons (£3,413) and from Sweden of 294 tons (£588) was also mainly of poultry grit. Imports in 1936 and 1937 were somewhat larger, amounting to 39,185 tons (£135,064) and 38,013 tons (£131,539), respectively. The decline in 1938 from the totals in these two years is accounted for solely by decreased importations from the United States, due possibly to greater supplies of domestic shell.

REQUIREMENTS

Imported oyster shell is commonly supplied in three grades: coarse or poultry, pullet, and chick. Crushing must be uniform and sifting regular. Packing is in bags of 112 pounds. Shipment is usually in minimum lots of 500 long tons but may sometimes reach as high a figure as 1,000 long tons. Sales are based on samples and price is important.

Prospective exporters should ascertain that their product is of the type and grade required and should then submit samples of about 1 pound. Samples must be fully representative of the quality available and separate samples of

each grade, appropriately labelled, should be provided. Prices c.i.f. London should accompany offers.

Efforts to sell Canadian clam shell in this market have so far been unsuccessful due largely to price. The revival of oyster production in Canada may possibly increase interest in the export of crushed shell.

CATTLE AND POULTRY FEEDS OF A PROPRIETARY NATURE

It will be clear from previous comments, especially on compound feeds, that there is little possibility of establishing any imported prepared feeds in this market unless by heavy—probably uneconomic—advertising. A glance at any of the trade papers will provide sufficient indication of the large domestic production which is constantly and persistently before the public.

In addition to the production of compound feeds, there is a large domestic production of other prepared feeds. In 1935 the grain-milling trade produced 287,800 tons (valued at £2,262,000) of poultry feeds, 82,200 tons (£594,000) of cattle and pig meal, and 261,900 tons (£1,747,000) of other kinds of miscellaneous animal and poultry feedstuffs; the cattle, dog and poultry feeds trades produced 187,900 tons (£1,910,000) of poultry feeds (including grits and bird seeds) as well as 103,100 tons (£690,000) of other feeding stuffs for animals; and the seed-crushing trade also produced some quantities of a miscellaneous nature. These totals, while not necessarily of proprietary feeds only, indicate the extent of production.

DOG FOODS OF A PROPRIETARY NATURE

Much the same situation prevails in the dog food trade as in the cattle and poultry feeds trade in proprietary feeds. It will be remembered that the United Kingdom is the home of some well-known dog food manufacturers. In 1935 the cattle, dog and poultry feed trades produced 52,600 tons (£1,238,000) of dog biscuits and hound meal and an additional 8,000 tons (£224,000) of other dog foods.

FISH LIVER OILS

Fish liver oils are used in feed mixes to supply vitamin content otherwise lacking. Certain feeds, such as dehydrated alfalfa meal, carry some or all of the required vitamin, but the use of fish liver oils will undoubtedly continue for many years to come.

British producers are in a position to supply the entire requirements of the United Kingdom for fish liver oil in finished condition and the main opportunity for producers or exporters in other countries would appear to be in supplying the raw material for processing. Any attempt to supply such oils ready for use would probably have to be supported by a heavy advertising allowance.

TRADE OF SOUTH AFRICA IN 1938

G. R. HEASMAN, TRADE COMMISSIONER AT CAPE TOWN

J. L. MUTTER, TRADE COMMISSIONER AT JOHANNESBURG

(Figures within parentheses are for 1937; unless otherwise stated, all tons are short tons of 2,000 pounds)

II. Imports

Total imports of merchandise from overseas into the Union of South Africa, exclusive of government purchases, during 1938 were valued at £85,337,648 as against £96,312,179 in 1937, a decrease of £10,974,531 or 11 per cent. While this decrease was fairly general for most of the statistical groups, the largest single decline was in the group metals, metal manufactures, machinery and

vehicles, amounting to £5,015,561; followed by fibres, yarns, textiles, and apparel with £3,149,810; and wood and manufactures thereof, £1,106,696. All the groups showed losses with the exception of foodstuffs, beverages, and the miscellaneous groups.

The tonnage of overseas cargo landed in 1938 and 1937 at Union ports—which does not include that landed at Lourenco Marques and destined for the Union—amounted to 4,822,310 tons and 5,074,499 tons respectively, and shows a decrease of 4.97 per cent in volume. The values of imports, not including those through Lourenco Marques but including “in transit” traffic to the Rhodesias and the Belgian Congo, during the same periods totalled £87,219,202 and £93,796,443, a decrease of 7 per cent.

COUNTRIES OF ORIGIN

Of the 105 countries listed as trading with the Union of South Africa in 1938, 19 accounted for 92.7 per cent of the total imports, or £80,045,416 out of a total trade valued at £86,371,230.

The following table shows the values and percentages of South Africa's total import trade for 19 of the principal countries, arranged in order of importance.

Country of Origin	1936		1937		1938	
	£1,000	Per Cent	£1,000	Per Cent	£1,000	Per Cent
Total merchandise	81,099	100.0	97,304	100.0	86,371	100.0
United Kingdom	36,636	45.2	40,866	42.0	37,249	43.1
United States	15,927	19.6	19,978	20.5	16,537	19.1
Germany	4,302	5.3	5,315	5.5	5,024	5.8
Canada	2,882	3.6	3,420	3.5	3,011	3.5
Japan	3,065	3.8	3,869	4.0	2,785	3.2
Belgium	2,124	2.6	2,635	2.7	1,825	2.1
India	1,658	2.0	1,938	2.0	1,541	1.8
Sweden	1,410	1.7	1,879	1.9	1,532	1.8
Netherlands	992	1.2	1,265	1.3	1,449	1.7
Iran	818	1.0	1,339	1.4	1,388	1.6
Netherlands Indies	1,188	1.5	1,509	1.5	1,197	1.4
Italy	262	0.3	1,160	1.2	1,135	1.3
Czecho-Slovakia	911	1.1	1,226	1.3	1,061	1.2
France	735	0.9	825	0.8	933	1.1
Finland	756	0.9	1,039	1.1	859	1.0
Ceylon	683	0.8	754	0.8	739	0.9
Australia	273	0.3	386	0.4	716	0.8
Switzerland	440	0.5	502	0.5	571	0.7
Southern Rhodesia	421	0.5	572	0.6	488	0.5
Total (19 countries) . .	75,485	93.0	90,482	93.0	80,045	92.7

The total value of imports of United Kingdom origin decreased from £40,866,219 in 1937 to £37,249,372. A steady percentage decrease in imports from that country over the last five years was checked somewhat in 1938 when the United Kingdom's percentage showed an increase of 1.1 per cent over that for 1937. Nevertheless this is still a considerable decline from the quinquennial period ended 1914, when the United Kingdom's percentage of imports averaged over 70 per cent. This has been due to the United States obtaining an increasing share of the South African market in the metal and metal manufactures group, more particularly in motor cars and their accessories and electrical appliances, especially refrigerators, radios, etc. Japan has obtained an increasing share in the textile group, due to lower priced merchandise, while Germany has offered increased competition through barter or clearing agreements during the last four years.

Imports from foreign countries were valued at £40,095,048 in 1938 (£47,195,822). The proportion of the total importations from foreign countries was 47 per cent and 49 per cent in 1938 and 1937 respectively.

ANALYSIS OF IMPORTS BY GROUPS

ANIMALS, AGRICULTURAL AND PASTORAL PRODUCTS

The principal commodities imported under this heading from overseas countries were ox and cow hides valued at £110,714 (£147,916 in 1937); sheep's wool, £124,905 (£164,424); sausage casings, £36,984 (£54,588); glue, £34,255 (£32,425).

Possibly the only item of interest to Canada under this heading is sausage casings, for which China continued as the chief source of supply during the year, with shipments valued at £21,895. There were no imports from Canada. It is hoped, however, as a result of a recent ruling prohibiting the imports of casings from Asiatic countries, that Canada will be in a position to obtain a substantial share of this trade.

Imports of glue, for which this country continues to offer an ever-increasing market due to the growing number of wood manufacturing industries, were largely from the United Kingdom with £13,880 (£16,192). The reduction in supplies from the United Kingdom of this item was made up largely by increased imports from France, Australia, and the Netherlands.

FOODSTUFFS

Total imports of foodstuffs during 1938 increased, notwithstanding the general decrease in the majority of the other groups, and were valued at £5,184,490 (£4,781,450). The chief sources of supply were the United Kingdom, £868,692 (£854,166); Ceylon, £664,641 (£637,320); India, £475,809 (£420,814); Australia, £460,931 (£69,819); Brazil, £239,764 (£268,419); United States, £237,825 (£331,805); Canada, £264,293 (£262,303); Argentina, £152,161 (£119,426); Netherlands East Indies, £177,908 (£302,508).

The proportion of the value of imported foodstuffs to the total value of merchandise imported from overseas was 5.38 per cent in 1938 as compared with 5 per cent in 1937. This is accounted for by the large imports of wheat from Australia, due to a shortage in the Union.

Tea was the chief item imported, valued at £866,861, almost entirely from Ceylon and the Netherlands East Indies, followed by wheat from Australia, £459,714; rice from India and Siam, £440,898 (£494,893); coffee, £394,741 (£488,036), largely from Brazil; preserved fish, £336,383 (£368,533), largely from Canada and the Scandinavian countries; manufactured sweets, £155,940 (£157,836), largely from the United Kingdom; tinned beef, £141,030; and ground nuts, £246,146 (£222,660).

ALES, SPIRITS, WINES, AND BEVERAGES

Imports in this group, notwithstanding decreases in the majority of the other groups, showed a slight increase at £738,691 (£703,923). The United Kingdom was credited with 78 per cent of the total or £576,205 (£550,952). The largest single import, as in previous years, was whisky to the value of £459,798 (£418,685), practically all from the United Kingdom. The only other large import under this classification was perfumed spirits to the value of £49,965 (£56,802). Imports of wines have remained practically unchanged for the last four years, the heavy, light and sparkling varieties showing little change either way. As the local wines improve there will be a tendency for imports to gradually disappear.

TOBACCO, CIGARS, AND CIGARETTES

This is the smallest group of imports, the total for the year being valued at £318,211 (£344,876). As in previous years the imports of this item consisted largely of unmanufactured tobacco from Southern Rhodesia. Imports of cigarettes, almost entirely from the United Kingdom, were valued at £67,859

(£63,631). Imports of cigarettes from the United States, while still small, £3,672, have shown a steady and consistent rise over the last five years. Imports of cigars, chiefly from Cuba, were valued at £57,299 (£54,128).

FIBRES, YARNS, TEXTILES, AND APPAREL

Total imports under this heading were valued at £17,787,673 (£20,937,483). The United Kingdom supplied over 50 per cent of the total imports with £10,044,498 (£11,986,876). While that country has been experiencing increasing Japanese competition during recent years, it is nevertheless interesting to note that in 1932, prior to the Ottawa Economic Conference, the United Kingdom was credited with 54.1 per cent of the total imports in this class as compared with 56.5 per cent in 1938. On the other hand, in 1934, when the Ottawa agreements were in full operation, the United Kingdom's share increased to 63.8 per cent. With even more intensified Japanese competition, however, during the years 1936 to 1938 the tendency has again been downward. Japan ranks second as a source of supply, with shipments valued at £2,215,242 (£2,998,001); followed by the United States, £1,131,451 (£1,152,544); Italy, £869,126 (£829,729); India, £826,706 (£1,066,950); Canada, £476,828 (£420,062).

Cotton piece-goods was the largest single individual import in this class with a value of £3,649,730 (£4,472,270), of which the United Kingdom is credited with £2,885,981 (£3,533,258) and Japan with £455,418 (£603,278). Supplies from the United Kingdom and Japan showed a proportionate substantial decrease in 1938.

Imports of woollen piece-goods were valued at £1,835,158 (£2,276,243). The United Kingdom's share was £1,066,321 (£1,414,134), Italy's £373,926 (£302,352), and Japan's £300,069 (£411,953). It will be noted that, while the United Kingdom and Japan showed decreases, Italy was able to record a substantial increase.

Women's outer garments were imported to the value of £2,177,245 (£2,319,230). During 1938 this large item for the first time was broken down into women's knitted outer garments and women's other outer garments including infants'. It is the latter classification, other women's outer garments, which is the more important, consisting largely of coats and dresses, the United Kingdom supplying to the value of £919,270; the United States, £395,780; Japan, £222,684; Germany, £108,629, and Canada £93,982.

Men's clothing was imported to the value of £673,301 (£680,814). Items included in this classification were men's ready-made jackets, £301,562; men's overcoats, £55,779; knitted clothing, £145,146; and other types of clothing including boys', £170,814, the United Kingdom being the chief source of supply for each item and in some cases, such as men's overcoats, almost the only source of supply.

For the first time hosiery was divided up this year between rayon, pure silk, and other types, excluding woollen and cotton. Hosiery imports consist of pure silk, £429,997, of which Canada supplied to a value of £237,220 and Japan £123,842. Imports of rayon hosiery, £112,168, were fairly well divided between Canada, the United States, the United Kingdom, and Japan. Imports of other types of hosiery, not including cotton or woollen, and therefore probably consisting largely of men's socks and children's hosiery, were valued at £182,244, of which Canada is credited with £69,119 and the United States with £40,886. Jute bags, £584,611 (£765,829), came almost entirely from India.

Imports of pure silk piece-goods were valued at £228,199 (£344,537), of which the United Kingdom supplied over 50 per cent, followed by Japan.

Knitted piece-goods of rayon artificial silk were valued at £71,711, while woven piece-goods of the same material were imported to the value of £868,977, the knitted material coming almost entirely from the United Kingdom, while of the woven piece-goods the United Kingdom is credited with £360,620 and Japan with £296,547.

Imports of felt and fur hats and caps were valued at £161,816 (£227,339): the United Kingdom, £92,503 (£136,413); Italy, £52,541 (£63,293).

Imports of corsets, £94,468 (£110,021), were fairly equally divided between the United Kingdom with £46,160 (£55,948) and the United States with £44,755 (£50,999).

Carpets and floor rugs, £310,232 (£386,700), came largely from the United Kingdom, £195,887 (£246,591).

Linoleum and floorcloth, £155,927 (£187,837), were chiefly supplied by the United Kingdom, £130,647 (£136,505).

METALS, METAL MANUFACTURES, MACHINERY, AND VEHICLES

This is the most important of all commodity groups, South Africa's purchases under this classification being valued at £36,600,128 for 1938, approximately £5,000,000 less than in the previous year when the value was £41,615,689.

In last year's report reference was made to the marked progress made by the South African Iron and Steel industry and the rapidly developing subsidiary industries using its products. It was forecast, moreover, that with any recession of the prosperous conditions prevailing in the Union, the influence of the local industry upon imports in this commodity group would be much more noticeable, in that the local industry would command a larger share of the domestic market while imports would show a diminishing trend. The short-fall of £5,000,000 in imports of metal manufactures is an indication of this tendency during the year under review, and the prospects are that it will become even more evident during the present and succeeding years, partly on account of the unsettled international situation and partly because the establishment in the Union of a second large iron and steel plant, somewhat less extensive than that at present in operation in Pretoria, is contemplated in the near future.

The more prominent among the individual items imported under the metal and metal manufactures classification were motor cars, chassis, and parts valued at £5,662,112 (£7,828,743) and motor truck chassis and parts with a value of £1,427,879 (£1,933,829). The principal suppliers of these articles were the United States, the United Kingdom, and Canada.

Imports of unspecified manufactures of iron and steel were valued at £736,907 as compared with £1,006,352 in 1937. Steel plate imports were valued at £332,902 (£601,814) and those of steel sheets at £113,299 (£154,332). Imports of galvanized sheets fell from £230,420 in 1937 to £107,399, and imports of galvanized and corrugated sheets at £445,758 were less by some £350,000 than in the previous year.

An important item in this import group was "miscellaneous industrial machinery," imports of which were valued at £1,424,575, a slight increase over the 1937 figure. Imports of factory plant were valued at £558,613, or slightly less than in 1937. These figures, of course, reflect the continued development of manufacturing industries in the Union.

Imports of "mining machinery, n.e.e.," always a big item, were valued at £1,256,962 (£1,602,128). "Electrical machinery, appliances, materials, and fittings, n.e.e." accounted for £2,554,134, or about £500,000 more than in 1937. This figure, like that for industrial machinery, reflects industrial development within the Union. The United Kingdom supplied over 80 per cent of the total.

Agricultural implements and machinery, including cream separators, binders, reapers and mowers, ploughs, harrows and parts, hoes and picks, spades, farm tractors, threshing machines, and miscellaneous machinery for agricultural purposes to the value of £1,357,663 were imported during the year under review. This compares with a figure of £1,459,587 for the previous year. Of these totals, ploughs, harrows and parts were valued at £488,873 and £568,072 respectively, while farm tractors accounted for £395,988 and £248,240 respectively.

Principal suppliers of agricultural implements were the United States, Canada, Germany, and the United Kingdom.

Other items meriting special mention are road-making machinery, imports of which totalled in value over £450,000 as against £125,000 in 1937, evidence of the activity in highway construction now apparent throughout the Union under the National Roads Scheme (the United States, the United Kingdom, and Germany were the principal suppliers of this equipment); mechanically cooled refrigerators, separately listed for the first time and valued at £546,413, of which 20,750 units valued at £421,916 came from the United States; bar, bolt and rod steel, £478,213 (£452,849), principal suppliers being United Kingdom, Belgium, the United States, and Canada; wrought iron and steel pipes, £677,633 (£655,168), from United Kingdom, Czecho-Slovakia, the United States, and Canada; electrical cable and wire, £960,636 (£1,255,895), from United Kingdom and Germany; radio apparatus and accessories, £729,628 (£776,841), from the United States, the United Kingdom, and Holland; and electrical cooking and heating apparatus, valued at £328,630 (£383,049), of which Canada was credited with £140,629, followed by the United Kingdom and the United States with £92,982 and £61,311 respectively.

MINERALS, EARTHENWARE, GLASSWARE, AND CEMENT

Imports under this heading totalled in value £1,873,595 as against £2,187,495 in 1937, the principal country of supply being the United Kingdom with £735,300 or 39·2 per cent of the total. The most important single item in this classification was "china and porcelain ware" to a value of £249,906 (£258,261), the United Kingdom being credited with £113,127, and Japan with £89,424. Next in importance were "bottles and jars," imports of which were valued at £236,671 (£222,207), the principal suppliers being the United Kingdom, Germany, the United States, and Czecho-Slovakia in that order. Imports of "glassware, n.e.c." were valued at £203,363 (£215,684), the principal suppliers being Czecho-Slovakia, the United Kingdom, Japan, and the United States.

Flooring, paving and wall tiles to the value of £164,646 (£180,026) were imported during 1938, the principal sources of supply being Germany, Czecho-Slovakia, and the United Kingdom. Imports of plate glass and sheet glass, mainly from the United Kingdom and Belgium, were valued at £107,858 (£141,637) and £58,637 (£71,876) respectively. Sanitary ware, the bulk of which came from the United Kingdom, to the value of £83,299 (£122,339) was imported during the year. Imports of asphalt and bitumen in bulk fell from £120,594 in 1937 to £95,252, and those of building cement dropped sharply from £113,418 to £29,588.

OILS, WAXES, RESINS, PAINTS, AND VARNISH

Total imports of these commodities during the year under review were valued at £5,882,583 as against £6,141,452 in 1937, of which motor spirit, or gasoline, accounted for £2,182,654 (£2,233,714). The principal supplier was Iran, followed by the Dutch East Indies, and the United States. Lubricating oils, to the value of £663,413 (£686,416) were imported during 1938, mainly from the United States and the United Kingdom, and illuminating and burning oils valued at £214,213 (£239,290). The principal suppliers of these types were the Netherlands Indies. Imports of fuel and crude oils, largely from Iran, were valued at £563,812 (£505,784).

Palm oil, for the use of soap manufacturers in the Union, was imported to a value of £240,446 (£238,987), the Belgian Congo being the principal supplier.

Under the heading "paints, pigments and colours, mixed ready for use," imports of distempers, colourwashes, and water paints are shown with a value of £43,739 (£49,664), while "other ready-mixed paints, including artists colours and enamels," accounted for £248,316 (£261,904). Imports of varnish, varnish

stains, lacquers, and japans were valued at £49,461 (£58,052). Prominent among the suppliers of these articles were the United Kingdom and the United States.

DRUGS, CHEMICALS, AND FERTILIZERS

Of total imports under this heading valued at £3,540,963 (£3,644,524), 44.6 per cent, or £1,579,411 worth, came from the United Kingdom, and 50.4 per cent, or £1,785,914 worth, from foreign countries.

Outstanding among the numerous items which went to make up the year's total were sodium cyanide valued at £358,341 (£444,086), of which the chief suppliers were the United Kingdom, Czecho-Slovakia, and Canada; medicinal preparations (specifics) £293,803 (£338,590) from the United Kingdom, the United States, and Germany; distilled glycerine in bulk, £279,471 (£307,313), the largest supplier being the United Kingdom with £251,295; crude glycerine, £260,846 (£137,300), of which nearly half came from France; drugs, n.e.e., £228,070 (£208,552), from the United Kingdom, Germany, and the United States; sugar phosphates, £223,017 (£200,810), almost entirely from the Netherlands; and perfumery and toilet preparations valued at £183,914 (£223,477) from the United Kingdom, the United States, and France.

Other items of importance were nitrate of ammonia, £119,409; rock phosphate, £115,671; substances for the prevention or destruction of agricultural pests, £95,351; chemicals, n.e.e., £90,573; tooth powders and pastes, £83,557; and apothecaryware, £53,773.

LEATHER, RUBBER, AND MANUFACTURES THEREOF

Total imports in this group were valued at £2,009,017 (£2,558,300), of which the United Kingdom supplied to a value of £762,540, or 38 per cent of the total, which compares with £874,030 in 1937; the United States, £380,009 (£353,299); Netherlands East Indies, £160,085 (£325,794); British Malaya, £197,897 (£215,136); and Canada, £139,924 (£198,517). The imports of unmanufactured rubber constituted the largest single item in this class, being valued at £342,938 (£518,315). The decline in the motor car industry during 1938 is reflected in the fall in the imports of crude rubber for the manufacture of motor car tires at the several South African factories. These tire factories would appear to have been more seriously affected than the imports of motor car and truck tires would indicate. Imports of tires were valued at £224,823 (£281,331), largely from the United Kingdom with £112,742 (£84,926), and Canada with £84,818 (£127,557). The reduction in Canada's share was made up almost entirely by additional imports from the United Kingdom.

Imports of women's leather footwear were valued at £183,445 (£178,286) and of men's leather footwear at £73,544 (£78,706), the United Kingdom being the chief source of supply in both cases.

Calf leather in the piece, £148,485 (£206,537), came chiefly from Holland; glacé kid, £126,835 (£142,013), chiefly from the United States and the United Kingdom; and patent leather, £56,948 (£94,004), almost entirely from the United Kingdom.

WOOD, CANE, WICKER, AND MANUFACTURES THEREOF

The imports under this heading were valued at £3,922,103 (£5,030,924). The chief source of supply was the United States, £747,303 (£869,343); Finland, £718,930 (£844,397); Sweden, £434,234 (£669,509); Canada, £268,423 (£350,497); Russia, £261,151 (£373,926).

The principal imports consisted of pine, other, excepting Douglas fir and pitch pine, £850,035 (£1,595,527). Douglas fir, which was included in the 1937 total of pine, other, was imported to the value of £212,775, chiefly from Canada. Pine, other, was imported from Finland to the value of £338,605 (£481,418);

from Russia, £235,078 (£333,036); and from the United States, £101,970 (£247,668).

Other items were fruit boxes, £364,989 (£402,103); flooring and ceiling boards, £325,123 (£524,506), chiefly from Finland; pitch pine, £249,436 (£234,000) from the United States; pulp boards, £132,186 (£111,839); brushes, £155,093 (£165,926); and wooden casks, empty or in shooks, £35,481 (£27,590). Wooden casks was one of the few items to show an increase under this heading, which is evidence of the increasing development of the wine industry.

BOOKS, PAPER, AND STATIONERY

Total imports in this group were valued at £3,358,140 (£3,687,772). This is another class of import of which the United Kingdom supplies the major portion, 52 per cent valued at £1,745,446 (£1,824,163), followed by Sweden, £311,492 (£669,509); Germany, £284,792 (£224,877); and Canada, £274,066 (£291,813). The principal imports consisted of other printing paper, £463,288 (£647,202), divided largely between the United Kingdom and the Continent; newsprint in reels, £365,236 (£345,085), divided between Canada and the United Kingdom; cardboard, linenboard, and strawboard, £304,903 (£301,343); newsprint in the flat, £12,493 (£18,814), over half from Canada; and kraft wrapping paper, £191,806 (£243,229). With the coming into production towards the end of last year of a really first-class paper mill, it is expected that imports of wrapping paper of all kinds will decrease, while imports of wood-pulp will probably increase, as imports of pulp have doubled each year for the last three years, being valued at £8,178 in 1938.

JEWELLERY, TIMEPIECES, MUSICAL INSTRUMENTS AND FANCY GOODS

Total imports under this heading were valued at £1,689,255 (£1,863,318). The United Kingdom supplied 47·7 per cent to the value of £806,065 as compared with £873,191 in 1937. The other main sources of supply were the United States, £246,281 (£254,195); Germany, £195,998 (£187,498); and Japan, £104,344 (£167,058). The chief commodities in this group were sporting goods, £233,369 (£211,574); toys and games, £222,380 (£255,469); musical instruments, other than pianos, organs, and gramophones, £115,002 (£107,767); gramophones and parts, £62,467 (£258,901), largely from the United Kingdom; and gramophone records, £101,854. In previous years this latter item was included with gramophones and parts; imports are almost entirely from the United Kingdom. Other items were jewellery, £129,608 (£149,074); fancy goods, £126,922 (£241,853); and clocks, watches and parts, £213,149 (£231,784), largely from Switzerland, the United States, and Germany.

MISCELLANEOUS

Miscellaneous imports were valued at £2,452,721 (£2,402,825). The chief commodities imported under this heading, according to value, were fuses for the mining industry, £374,893 (£389,890), almost entirely from the United Kingdom; detonators, £121,000 (£94,161), almost entirely from Germany; sound films, £257,121 (£210,024), chiefly from the United States; surgical and dental instruments, £161,480 (£289,950); and scientific instruments and appliances, £125,013 (£79,980).

GOVERNMENT STORES

Imports of government stores, being supplies, materials, and equipment brought into the Union for the use of various South African Government Departments, notably Railways and Harbours and Airways, and Posts and Telegraphs, totalled in value £9,468,187 for 1938 as compared with £6,041,228 in 1937. These totals are exclusive of clearances ex bonded stocks held in the country valued at £2,457,745 and £2,068,987 respectively for the same two years.

The principal supplier was the United Kingdom, £4,209,566 as against £3,129,439 in 1937, followed by Germany, £2,643,394 (£1,468,965); Belgium, £1,459,100 (£487,222); and Canada, £425,142 (£259,706).

The great bulk of government purchases in 1938, to a value of £8,577,448, was classified under the commodity heading "metals, metal manufactures, machinery, and vehicles," the most important individual items being locomotives and parts from Germany valued at £1,249,226, and from the United Kingdom valued at £890,051; rolling stock, United Kingdom (£872,403) and Belgium £822,280; steel sleepers, Germany (£449,014) and Belgium (£423,885); heavy steel rails, Canada (£417,181) and the United Kingdom (£204,008); aircraft, Germany (£293,649) and the United Kingdom (£100,125); and telegraph and telephone instruments and materials, United Kingdom (£352,662).

CHEESE PRODUCTION IN SOUTHERN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, June 5, 1939.—Cheese production in the southern states of Australia during the last five years has shown a rapid increase. The following figures of output by states, total output, and total exports for these years, while incomplete for 1938-39, indicate the growth of production and the rise in exports:—

	1934-35	1935-36	1936-37	1937-38	(Estimated) 1938-39
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Total production	39,975,185	38,598,716	41,728,839	53,883,908 ³	1
Victoria	10,095,139	10,973,804	13,350,124	16,466,038	18,883,200
South Australia	6,649,661	8,103,663	12,164,819	15,508,031	1
Tasmania	1,948,963	2,150,281	2,994,227	3,709,332	1
Western Australia ²	643,571	865,482	996,548	873,864	909,717
New South Wales	8,445,468	7,356,203	7,417,640	8,004,873	1
Queensland	12,192,383	9,149,283	7,789,890	1	1
Total exports	16,829,780	12,972,627	13,924,572	27,245,638	1

¹ Not yet available. ² Western Australia, which produces little more than sufficient for local requirements, does not come within the voluntary Equalisation Scheme. ³ Excluding Western Australia.

This increase in cheese production is generally attributed to the following causes:—

- (1) Assistance given to factories by virtue of the operations of the Equalization Scheme. This assistance has permitted factories which normally exported, to realize the same price for their cheese as factories able to sell the whole of their cheese on the local market.
- (2) The considerable saving of labour in separating and pig rearing through the supply of whole milk to cheese factories as against home separation of cream.
- (3) Failure of the casein market. Factories and creameries normally separating whole milk received, and manufacturing butter and casein, have been in the position of having no outlet for their casein and have therefore diverted as much milk as possible to cheese manufacture.
- (4) Increased local sales by processors of pasteurized cheese, resulting in the purchase of more bulk cheese for processing locally.

The first factor mentioned is undoubtedly the principal one contributing to the substantial increase in cheese production, as the increases have taken place since the Commonwealth Dairy Produce Equalization Committee Limited first began its operations in 1934.

EQUALIZATION PLANS

It may be said that the first definite Commonwealth move towards equalization of prices took place towards the end of 1916, when the Federal Pooling

Scheme was inaugurated. This step became necessary because of the fixation of prices in Australia and the sale of surplus butter to Great Britain. The price in Australia was less than that paid by the British Government, consequently the committee administering this scheme had to make arrangements for factories to contribute their quota to the local market. The sale to the British Government extended over several years, and when the committee ceased functioning the industry was again faced with a serious situation.

No successful method of dealing with the problem was developed until January 1, 1926, when there came into being the Australian Stabilisation Committee to administer what has since been known as the Paterson Plan. This voluntary scheme, still applying only to butter, operated for 8 years and 4 months. Although this plan worked successfully for more than eight years, the difficulties in the way of its operation, notably the entire absence of any form of legislative help and differing prices in the various states, eventually became so acute that it was recognized by leaders of the industry that some new system of stabilization was essential. This new system was found in the plan now operating. In its establishment the Governments of the Commonwealth and states materially assisted by providing a chain of quota legislation, which the industry itself supplemented by the establishment of the Commonwealth Dairy Produce Equalisation Committee Limited, a company working with the voluntary support of the dairy manufacturers and aiming at equalizing prices for butter and cheese for the exporter and home market supplier. Home prices are maintained at an artificial level to subsidize the exporter, all sections of the industry receiving the same equalized price for their commodity.

PRICES UNDER EQUALIZATION

Aided by higher prices in London the scheme soon placed the dairying industry on a reasonably profitable basis. The equalized price of cheese has compared favourably with the average parity rate (the average value which would have obtained had world's parity conditions prevailed). The following brief table gives comparative figures of equalized prices and parity rates for the four years ending 1937-38:—

	Average Equalization Australian Pence per Pound	Average Parity Rate per Pound
1934-35	6.2864	4.2016
1935-36	7.812	5.401
1936-37	8.230	6.684
1937-38	8.315	7.320

The difference between the two prices in this table represents the advantage of equalization to the Australian manufacturer.

The average return per pound in Australian currency from cheese exported during the past three years has been as follows: 1935-36, 5.49d.; 1936-37, 6.49d.; 1937-38, 7.20d.

The rising trend of export returns led to higher equalized prices, and the cost of equalization to the home market was correspondingly small. It is profitable to produce cheese while costs are below the equalized price and, therefore, production increased. Moreover, cheese became relatively more profitable than butter, with the result that many manufacturers switched to the former commodity.

In order that the dairy farmer might also share in this increased prosperity, the price of butterfat was raised, thus stimulating the tendency to higher production costs and consequently higher home consumption prices. The Equalisation Committee in 1935-36 and 1936-37 fixed the local price for cheese at 9½d. Australian per pound, increased it to 10d. per pound in July, 1937, and again to 10½d. in July, 1938, at which level it remains. These increases allowed a higher butterfat price and were necessary to maintain a high equalized price, as the proportion of cheese exported rose from the 1936-37 level of 34 per cent.

(13·74 million pounds out of 40·91 million pounds sold) to 53 per cent (27·55 million pounds out of 52·14 million pounds sold) in 1937-38. Per capita consumption of cheese in Australia showed a marked decline in 1937-38, no doubt due to the increased local price. The figures of per capita consumption in the last four years are: 1934-35, 3·028 pounds; 1935-36, 3·698 pounds; 1936-37, 4·285 pounds; 1937-38, 3·845 pounds.

PRESENT SITUATION

To sum up, a larger quantity of cheese by weight and proportion to total production is now being sold abroad at prices which are very low compared with those of last year. At the same time cheese consumption in Australia is being discouraged by high local prices, with the result that the equalized price is tending to fall. Moreover, costs of production have risen above the equalized price and cheese is being produced at a loss. It seems inevitable, therefore, that production will fall, leaving the total for the year ending June, 1939—at least for the time being—as the peak in Australian cheese production.

NETHERLANDS COMMODITY MARKETS IN 1938

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

(One florin or guilder equals \$0·53½ approximately at current rate of exchange; one metric ton equals 2,205 pounds; one cubic metre equals 35,314 cubic feet)

II

MINERALS AND METALS

Netherlands import trade in manufactured iron and steel products is largely confined to the United Kingdom, Belgium, and Germany. Canada is not in a position to compete successfully and her share of the trade is restricted to shipments of some base metals.

ORES

Imports of iron ores in 1938 showed a considerable decline in weight, although the decrease in value was small, the 1938 figures being 489,405 tons (fl.4,954,000). As in 1937, Sweden and France were important suppliers. Spain headed the list of shippers of unroasted iron pyrites in the year under review with 250,783 tons (fl.2,826,000) out of a total of 391,788 tons (fl.4,504,000). Cyprus followed with 32,001 tons (fl.407,000).

Zinc.—This is the only metal ore which is shared in by Canada, and, while total Netherlands' arrivals in 1938 declined, those from the Dominion rose by 100 per cent in weight and 50 per cent in value. Total imports amounted to 45,435 tons (fl.1,555,000), Canada's share being 1,410 tons (fl.47,000). Shipments from the Dominion in 1937 were 721 tons (fl.30,000).

CEMENT

Portland cement arrivals amounted to 465,242 tons (fl.4,609,000), principally from Belgium, which supplied 251,366 tons (fl.2,469,000). Germany was in second place. These two countries were also first and second in regard to Portland cement for the construction of smelting ovens and accounted respectively for 32,049 tons (fl.300,000) and 22,100 tons (fl.208,000).

FERTILIZERS

Chile and nitrate saltpetre were imported to the value of fl.3,935,000 in 1938, lime nitrate of ammonia, fl.4,199,000; sulphate of potash, fl.890,000;

chloride of potash, 6,453 tons (fl.427,000). Of the last named, Palestine and the United States supplied the greater quantity. There was also an amount of 1,483 tons (fl.92,000) credited to Canada, although this is probably of United States origin forwarded via a Canadian port. Fertilizer shipments to Canada were valued at \$385,271 on arrival.

PIG IRON

Arrivals of pig iron advanced slightly to 17,759 tons (fl.996,000). These are imported chiefly from Great Britain and Belgium; Canada contributed 159 tons (fl.19,845). On the other hand, exports of raw iron are much greater, amounting to 217,552 tons (fl.9,870,000). Imports of cast iron advanced, while those of sheet iron and steel fell off somewhat. Small supplies of pipe fittings and valves, screws and parts, valued at fl.1,886, and miscellaneous iron ware valued at fl.1,075 were obtained from Canada.

There is a considerable import of scrap iron, but exports are far in excess of imports.

COPPER

Canada is an important supplier of copper to Holland. Total imports of copper in bars amounted to 3,810 tons (fl.1,588,000), of which 2,146 tons (fl.909,000) came from Belgium, 1,020 tons (fl.409,000) from the United States, 280 tons (fl.100,000) from Mexico, and 254 tons (fl.104,450) from Canada. Copper in blocks was brought in to the extent of 6,133 tons (fl.2,440,000), of which the United States supplied 2,052 tons and Canada 1,349 tons (fl.527,000), Germany being the principal supplier. There were 2,803 tons (fl.1,550,000) of unworked copper rods imported. Belgium supplied most of the unworked copper sheets, arrivals of which totalled 866 tons (fl.466,000). Copper scrap imports amounted to 390 tons (fl.127,000), of which Canada forwarded 10 tons (fl.3,216). Arrivals of non-insulated copper wire declined to 4,906 tons (fl.2,129,000). Of this quantity the United States supplied 1,938 tons (fl.814,000), Canada being second with 1,794 tons (fl.758,000). Arrivals of bronze fell off somewhat, although imports of miscellaneous copper and brassware advanced to 4,284 tons (fl.5,209,000), of which Canada supplied 10 tons (fl.16,704).

LEAD

Imports of lead in blocks increased, amounting in 1938 to 36,293 tons (fl.5,061,000). Belgium is the chief supplier, followed by Mexico. Sheet lead imports decreased and lead goods remained at about the same level. Holland exported 76 tons (fl.54,000) of lead and works thereof to Canada.

ZINC

Netherlands purchases of zinc in blocks amounted to 10,871 tons (fl.1,428,000) and in sheets to 5,059 tons (fl.893,000). There are no imports credited to Canada in 1938 or 1936, but 153 tons (fl.38,255) were brought in from the Dominion in 1937.

NICKEL

Total imports of nickel fell off in 1938 to 1,303 tons (fl.1,365,000) for crude nickel and 32 tons (fl.56,000) for nickel work. Five tons (fl.3,530) of crude nickel were obtained from Canada in 1937, but there were no imports from the Dominion in 1938.

ALUMINUM

Arrivals of aluminum declined slightly. A total of 415 tons (fl.315,000) of aluminum in blocks were imported, of which Canada supplied 23 tons (fl.18,000), France and Belgium being the chief suppliers. Imports in sheets and strips amounted to 1,201 tons (fl.1,386,000); bars, 305 tons (fl.561,000).

Arrivals of other raw aluminum amounted to 386 tons (fl.327,000). Germany, Switzerland, and France were the main suppliers of these items. Imports of aluminum foil remained at approximately the same level, totalling 871 tons (fl.965,000). Of this quantity Germany supplied 514 tons, Switzerland 147, and Czecho-Slovakia 136 tons. A mill for rolling aluminum products has recently been set up in Holland.

MICA

Total imports of mica amounted to 113 tons (fl.372,000), Great Britain supplying 69 tons (fl.221,000). Canadian mica is not imported, as the demand is for the very clear variety for use as stove fronts.

ASBESTOS

Arrivals of asbestos advanced to 2,192 tons (fl.386,000), Canada being the chief source of supply with 795 tons (fl.94,000). Portuguese East Africa supplies a higher grade, and imports from that country amounted to 444 tons (fl.95,000). Belgium shipped 465 tons (fl.72,000); Great Britain, 116 tons (fl.51,000); South Africa, 157 tons (fl.35,000); and British West Africa, 139 tons (fl.30,000).

FELDSPAR

Imports of feldspar increased to 7,530 tons (fl.131,000) of which, in order of value, Belgium, Germany, and Sweden were the main shippers.

FLOUR AND FLOUR PRODUCTS

Since 1931 the importation of wheat flour into Holland has been subject to crisis legislation, which allows bakers to use only slightly more than 5 per cent of unmixed foreign flour. For 1939 the total quantity which may be brought into the country has been fixed by the Minister of Economic Affairs at 50,000 metric tons. Domestic milled flour must contain at least 35 per cent of wheat grown in Holland, and the market for foreign wheat flour is correspondingly limited. The United States is the principal supplier, followed by France, Australia, Great Britain, and Belgium. In 1938 Canada supplied 558 tons (fl.53,000), as compared with 1,156 tons (fl.131,000) in 1937. The following table shows details of imports during the last two years.

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	65,639	7,410	67,718	6,402
Belgium	1,564	158	2,242	198
United Kingdom	3,477	407	2,444	235
France	8,133	824	7,897	609
Canada	1,156	131	558	53
United States	39,063	4,683	43,736	4,330
Argentina	1,924	144	1,560	103
Australia	5,029	577	8,269	790
Hungary	209	26	270	34
Poland	1,965	127	153	10
Yugoslavia	1,824	222	....	....
Soviet Russia	932	73	....	....
Turkey .. . . .	....	....	252	15
Algeria .. . . .	....	....	267	19

Rye Flour.—A total of 200 tons (fl.20,000) was imported in 1938, entirely from the United States. Exports amounted to 4,542 tons (fl.283,000). Quota restrictions on this product have just been re-established.

Rice Flour.—Only 56 tons (fl.4,000) were entered, whereas exports were 3,343 tons (fl.269,000).

ROLLED OATS

Exports under this heading now greatly exceed imports, due to the setting up of a large mill processing this product at Rotterdam. Arrivals amounted to only 11 tons as compared with shipments of 2,541 tons.

CEREAL FOODS

Imports of cereals amounted to 183 tons (fl.49,000), mainly from Great Britain. Canada supplied 4 tons (fl.1,779).

SEMOLINE AND PUDDING POWDER

Imports under this heading in 1938 amounted to 5,333 tons (fl.624,000). France was the principal source of supply with 3,825 tons; 515 tons (fl.47,567) are credited to Canada.

MACARONI

Imports of macaroni advanced to 381 tons (fl.78,000). Belgium and France together supplied about 70 per cent. There are small supplies of Canadian macaroni, although details are not given in the trade returns.

CHEMICALS AND CHEMICAL PRODUCTS

Very few items under this heading are of any direct interest to Canada. Holland has a well developed chemical industry and exports to foreign markets. In addition, the chemical plants of Great Britain, Belgium, and Germany are in a position to compete in this market on a much more favourable basis than Canadian companies. Total arrivals from Canada amounted to 36 tons (fl.7,195) for which no details are available. In 1938 Holland exported magnesia, patent medicines, and miscellaneous chemicals to Canada amounting to 1,085 tons (fl.514,000).

PAINTS AND MATERIALS

In 1938 Canada supplied to the Netherlands 14 tons of ochre (fl.2,489), 3 tons of bronze and similar metal powders (fl.3,523), 48 tons of iron oxide (fl.8,350), 10 tons of carbon black (fl.2,022), and 5 tons (fl.885) of miscellaneous paint products. This country is a considerable producer of various types of paints, and these Canadian ingredients find a ready market provided prices are competitive. Exports of Holland paints, dyes and materials to Canada in 1938 totalled 2,318 tons (fl.258,000).

DYES

Arrivals of dyes fell from 3,075 tons (fl.7,210,000) in 1937 to 2,344 tons (fl.6,623,000), mainly from Germany and Switzerland. Shipments abroad also declined, dropping in value from fl.3,551,000 to fl.2,966,000.

TOILET SOAP

Arrivals of toilet soap in 1938 amounted to 1,152 tons (fl.839,000), a slight increase over the 1937 figure. Supplies were obtained from the United States—889 tons valued at fl.597,000—with much smaller amounts from Germany, Great Britain, and France. Canada shipped 2 tons (fl.2,715), a sharp decline from 725 tons (fl.441,000) in 1937. These quantities were forwarded principally by the Canadian branch of an international concern.

TOILET ARTICLES

Incoming quantities of tooth paste and powder advanced to 192 tons (fl.406,000). Of this the United States supplied the greater portion, 90 tons (fl.228,000); Great Britain was next with 44 tons (fl.140,000); Germany being in third place with 49 tons (fl.17,000) of cheaper quality. Imports of toilet creams totalled 139 tons (fl.295,000). France is the leading shipper, followed by Germany and the United States.

Toilet waters and cosmetics were brought in to the amount of 477 tons (fl.886,000). France supplied 139 tons (fl.407,000); Great Britain, 173 tons (fl.222,000); Germany, 70 tons (fl.129,000); and the United States, 74 tons

(fl.96,000). So far Canadian toiletries and cosmetics have not been able to meet the prices prevailing on the Netherlands market.

WOOD AND WOOD PRODUCTS

Considerable quantities of spruce and pine, which originate mainly in Baltic countries and Russia, are imported into the Netherlands. Exotic woods and hardwoods are imported for the furniture and decorating trades, and there is a large woodworking industry despite the deficiency in domestic supplies. Canada is chiefly interested in supplying Douglas fir (in logs and sawn) and plywood.

OAK

Imports of oak in logs advanced, while sawn timber showed a decline from the 1937 figures. France, Belgium, and Poland are the leading suppliers of logs, and the United States, Poland, Japan, and Yugoslavia of lumber.

SPRUCE AND PINE

Imports of these varieties totalling 1,477 cubic metres of lumber (fl.34,692,-000) are mainly intended for the building trade and were considerably less than in 1937. Arrivals of American type fir, including pitch pine logs, were slightly less, but advanced a little for sawn timber. Of the latter, Canada shipped 21 cubic metres (fl.1,224).

DOUGLAS FIR

Arrivals of logs advanced from 12,074 cubic metres (fl.366,000) to 14,486 cubic metres (fl.407,000). Of the latter, the United States supplied 13,060 cubic metres (fl.369,460), and Canada 1,426 cubic metres (fl.37,591). Sawn Douglas fir totalled 12,552 cubic metres (fl.518,000), the United States again supplying the bulk of the imports, 11,862 cubic metres (fl.489,000). Canada shipped 562 cubic metres (fl.23,814), which was less than in 1937.

BEECH

Imports of beech amounted to 19,765 cubic metres (fl.333,000) of logs and 18,187 cubic metres (fl.713,000) of lumber. France supplied most of the logs, whereas Poland, Yugoslavia, and Czecho-Slovakia are the principal shippers of the lumber.

POPLAR

There were 4,233 tons (fl.51,000) of poplar logs and 508 tons (fl.29,000) of lumber imported in 1938. Belgium supplies the bulk of the logs, although Canada sent 120 tons (fl.2,900). The poplar lumber comes mainly from Belgium and the United States, Canada being credited with 8 tons (fl.1,216).

PIT PROPS

Imports of pit props were less in quantity but higher in value in 1938, totalling 137,724 tons (fl.3,431,000). Finland was the principal supplier, followed by Belgium.

PULPWOOD

Arrivals of pulpwood advanced considerably over the 1937 totals. There were some shipments of Canadian wood, although larger cargos passed through Holland en route to Germany. Russia is the main supplier, followed by Finland. Particulars for the past two years are shown in the following table:—

	1937		1938	
	Cu. Met.	Fl. 1,000	Cu. Met.	Fl. 1,000
Total	599,333	4,795	687,068	8,006
Finland	116,684	977	171,208	1,898
Russia	405,471	3,203	442,225	5,360
Latvia	33,068	285	12,254	83
Canada	28,896	239	22,416	193

POLES AND PILING

Arrivals of these decreased somewhat, falling from 75,027 tons (fl.2,104,000) in 1937 to 65,807 tons (fl.1,934,000) in 1938. Belgium, Czecho-Slovakia, Poland, and Finland were the main shippers.

RAILWAY TIES

Imports amounted to 865,000 sleepers (fl.2,948,000). Yugoslavia, Poland, Russia, and France are the principal sources of supply.

COOPERAGE STOCK

Holland manufactures many barrels, partly for local needs, such as herring packing, and also for export. Arrivals of staves and bottoms declined by over 40 per cent as compared with 1937 but amounted to 11,253 tons (fl.884,000). Germany shipped 5,208 tons, the United States 4,247 tons, and Poland 1,328 tons. Smaller quantities were credited to other countries, Canada accounting for 35 tons (fl.3,956). Canadian shippers find it difficult to compete against the prevailing prices.

BARRELS

Arrivals of new barrels are small, being valued at fl.48,000. There is, however, a considerable import of used barrels, mainly from Great Britain and the United States, with smaller but important quantities from Belgium and Germany, altogether totalling in value fl.1,354,000.

PLYWOOD

There is usually a good demand for plywood in Holland and there is a considerable domestic manufacture of plywood made from imported woods.

Birch and Alder Plywood.—Arrivals in 1938 totalled 19,981 tons (fl.2,758,000), drawn principally from Finland, Poland, Latvia, and Russia.

Oak Plywood.—Imports totalled 710 tons (fl.254,000) and came mainly from Poland and Belgium.

Douglas Fir Plywood.—In 1938 incoming shipments of this variety fell off somewhat as compared with 1937. A table is appended showing imports of plywood made from various coniferous trees, among which arrivals of Canadian Douglas fir plywood are included. The latter were less than in 1937 but considerably more than in 1936.

Imports of plywood in 1938 and 1937 were as follows:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	3,302	414	2,393	342
Sweden	1,251	156	1,548	192
Poland	34	6	....	....
Canada	607	113	391	69
United States	741	137	428	76

VENEER

Imports of veneer wood advanced in quantity but declined in value from the 1937 figures. Supplies are drawn chiefly from France, which forwarded 1,119 tons (fl.394,000) out of total imports of 2,252 tons (fl.735,000).

WOOD-PULP

Arrivals of wood-pulp in 1938 declined as compared with 1937, imports of mechanical pulp decreasing from 27,132 tons (fl.685,000) to 22,437 tons (fl.667,000). Sweden supplied over 70 per cent of this variety, followed by Finland and Norway.

CHEMICAL PULP

Imports of chemical pulp other than sulphite declined in quantity but rose in value from 23,356 tons (fl.872,000) in 1937 to 20,006 tons (fl.948,000) in 1938. Sweden is the main shipper.

SULPHITE PULP

Sulphite pulp arrivals showed a decline from 99,384 tons (fl.8,171,000) to 76,770 tons (fl.7,531,000). Sweden and Norway are the principal suppliers. Formerly Canada supplied fair quantities of the bleached sulphite variety, but in the past few years her share has been decreasing steadily. In 1938 only 51 tons (fl.6,537) were imported into Holland from the Dominion.

The following table shows imports from leading countries during the past two years:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total.....	99,384	8,171	76,770	7,530
Germany	12,174	472	2,011	112
Finland	25,078	1,426	17,844	1,073
Norway	17,176	2,044	19,933	2,522
Sweden	33,350	3,099	25,674	2,685
Canada	708	100	51	7
Belgium.....	6,822	623	8,848	900

MANUFACTURES OF WOOD, N.O.P.

This is a miscellaneous heading under which imports totalled 779 tons (fl.272,000). There were 28 tons (fl.7,247) from Canada, which would probably cover Canadian shipments of small woodenware—skewers, bobbins, and ice-cream spoons.

WOOD FURNITURE

Arrivals of wood furniture fell off, amounting to 3,052 tons (fl.1,613,000) in 1938. Furniture manufacturing is an important domestic industry, and imports are but supplementary to the products of Netherlands factories. The demand is principally for very cheap varieties in which Canadian manufacturers are not likely to be able to meet competition.

BREWING INDUSTRY OF MEXICO

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

(At normal rate of exchange 3·60 pesos equal U.S.\$1; one litre equals 1·76 pint).

Mexico City, June 26, 1939.—The beer brewing industry of Mexico, with 17 breweries of varying capacities and a capital investment exceeding 25·5 million pesos, is now one of the most important industries of the country. It has an annual production of more than 121,000,000 litres, valued at 44,000,000 pesos, which places it in fifth place among the principal branches of manufacture.

According to the 1935 industrial census, the bulk of the investment was distributed as follows: 14·2 million pesos in the Federal District, Vera Cruz, and Yucatán; nearly 7 millions in Nuevo León and San Luis Potosí, and the balance in Lower California, Sonora, Chihuahua, Sinaloa, Jalisco, and Durango.

PRODUCTION

Production over the last seven years has shown a steady increase, as the following figures reveal:—

Years	1,000 Litres	Value in Pesos
1931	54,711	.....
1932	42,470	.....
1933	52,991	.....
1934	67,694	22,762,316
1935	82,512	27,056,641
1936	98,893	39,428,820
1937	120,805	43,612,492

The crisis which beset business towards the end of 1929 affected the production of beer, but with the year 1934 there began a revival which has continued up to the present. The increase in production from 1934 has been exclusively due to a greater demand for bottled beer, produced principally in the Federal District, Vera Cruz, and Yucatán. This trend is clearly indicated in the following figures of barrelled and bottled output:—

Year	Barrel Thousands	Bottle of Litres
1935	25,933	56,579
1936	24,830	74,063
1937	25,821	94,984
January-June, 1938	12,829	53,408

IMPORTS OF RAW MATERIALS

Of the raw materials used, principally hops and malt, 44 per cent comes from abroad. The total values of the raw materials used and the proportions imported in 1935, 1936, and 1937, were as follows:—

Year	Total Value Pesos	Value of Imports Pesos
1935	8,317,780	2,641,946
1936	7,320,537	2,042,539
1937	10,561,341	4,587,526

From the above figures it will be observed that the consumption of foreign raw materials rose sharply in 1937. The increase was due to a larger importation of hops (not produced in the country) and of malt, of which Canada supplied considerable quantities. The value of hops equals one-fifth of the total value of raw and auxiliary materials, and the value of malt represents two-thirds. The constant increase in the consumption of malt has opened up a new field for Mexican farmers in the cultivation of malting barley, and also possibilities for the establishment of Mexican malt mills. In consequence, within recent months the Office of the Canadian Trade Commissioner has received inquiries for sources of supply of Canadian seed barley.

The total quantities of malt consumed and the quantities imported in 1935, 1936, and 1937, were as follows:—

Year	Total Consumed Tons	Imports Tons
1935	8,457	2,263
1936	11,593	1,701
1937	11,792	5,229

The development of the brewing industry has increased the demand for other raw materials, such as rice. In 1937 the volume of rice consumed by the brewing industry was equal to 12 per cent of the native production corresponding to the average for the five-year period 1932-1936.

The consumption of hops, exclusively foreign, has been: 1935, 229 tons; 1936, 267 tons; 1937, 353 tons.

EXPORTS

Mexico exports small quantities of beer to the United States, and occasionally to Spain, France, Cuba, Nicaragua, and El Salvador. In 1937 shipments to the United States amounted to 582,946 kilograms, valued at 188,303 pesos.

CUSTOMS DUTIES

The Mexican customs tariff imposes no tax on the exportation of beer, but the duties on importations are prohibitive. Beer in wooden or metal containers pays a duty of 40 centavos per gross kilogram, and 50 centavos when imported in earthenware, glass or other containers.

TENDERS INVITED

New Zealand

Copies of plans and specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington, New Zealand. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 21, Palmerston North District: galvanized steel towers (tenders close October 10, 1939); Section 20, Hamilton District, outdoor switchgear and steelwork (tenders close September 19, 1939); Section 23, Hamilton District, 50 kv. outdoor switchgear and steelwork (tenders close September 19, 1939); Section 28, Hamilton District, 10,000 kv-a. transformer bank (tenders close September 19, 1939); Section 29, Hamilton District, transformer bank (tenders close September 12, 1939); Section 31, Hamilton District, 5,000 kv-a. transformer bank (tenders close September 26, 1939); Section 32, Hamilton District, 2,250 kv-a. transformer bank (tenders close September 26, 1939); Section 35, Hamilton District, galvanized steel towers (tenders close October 10, 1939); Section 413, miscellaneous, street lighting lanterns (tenders close September 5, 1939); Section 183, Waikaremoana, 110 kv. and 50 kv. switchgear (tenders close October 3, 1939).

TARIFF CHANGES AND CUSTOMS REGULATIONS

Australia

FLOUR TAX

With reference to the notice in *Commercial Intelligence Journal* No. 1847 (June 24, 1939, page 1028), Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, writes under date June 8, 1939, that the tax on imported flour, levied under the Flour Tax (Wheat Industry Assistance) Assessment Act, 1938, and the Flour Tax (Imports and Exports) Act, 1938, has been decreased from £5 5s. per ton to £5 per ton, to apply to all importations on and from May 19, 1939.

India

UNITED KINGDOM-INDIA TRADE AGREEMENT

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Calcutta, June 15, 1939.—Following protracted negotiations, the existing trade agreement between the United Kingdom and India was altered as from May 27.* It will be recalled in this regard that Canadian products are not entitled to preferential rates of duty when imported into India and that only the United Kingdom and British colonies have been accorded preferential tariff treatment.

One of the principal features of the new agreement is the abolition of many of the preferential rates of duty which have been available to United Kingdom products and a reduction in the standard rates of duty on the same commodities. In other instances, preferential rates hitherto applicable to United Kingdom products have been removed and the existing standard rates retained. There have been various other amendments made in the tariff, such as the consolidation of several related items, the inclusion of several new ones, and the insertion in the Indian Tariff Act of a clause which gives the Government power at any time to alter the rates of duty on certain cotton piece-goods.

Many of the changes are of no immediate interest to Canadian export firms as the commodities involved are either not normally exported from Canada

* See *Commercial Intelligence Journal* No. 1837 (April 15, 1939), page 557.

or are at least not generally shipped to the Indian market. In numerous instances, however, exporters will undoubtedly be interested in the enhanced opportunities which are now available in the Indian market as a result of the recently concluded agreement.

PRINCIPAL TARIFF CHANGES

The most important group of tariff changes, from the point of view of Canadian trade to the Indian market, is that in which the United Kingdom preferential rate of 20 per cent ad valorem has been abolished and the standard rate reduced from 30 per cent ad valorem to 25 per cent. Canadian products which are now exported, or might be exported, to this market and which are affected by these alterations include:—

Milk, condensed, preserved, etc.; fish oils; canned fish; dressed fur skins; rubber tires and tubes; miscellaneous canned goods; toilet requisites; skins, tanned, and unwrought leather; oil and floor cloth; engine and boiler packing; building and engineering materials, other than of iron, steel, or wood; miscellaneous iron and steel manufactures; aluminium circles, sheets, etc.; electrical earthenware and porcelain.

A second group is that in which preferential rates for United Kingdom products have been abolished but have been retained in the case of imports from British colonies and where the existing standard rates of duty remain unaltered. Canadian products involved are:—

Fruit juices, and canned or bottled fruits and vegetables.

In a third instance the United Kingdom preferential rates have been abolished and the existing standard rates retained. Typical Canadian products covered by these changes, together with the varying rates now in force, are:—

	New Rates
Confectionery	50 per cent ad val.
Perfumed spirits	Rs. 60 per Imp. gal.
Silk and artificial silk hosiery	50 per cent ad val.
Cutlery, plated with gold or silver	50 per cent ad val.
Toys and games	50 per cent ad val.

There is a further series of changes where United Kingdom preferential rates have been removed and reductions made in standard rates of duty from 35 per cent ad valorem to 25 per cent. Canadian products which will be affected and rates now in force are:—

Toilet soap	25 per cent ad val. or Rs. 20 per cwt.
Woollen hosiery and knitted apparel	25 per cent ad val. or Rs. 1½ per lb.
Miscellaneous hosiery and apparel	25 per cent ad val.
Miscellaneous textile manufactures	25 per cent ad val.
Hats, caps, etc.	25 per cent ad val.

OTHER FEATURES OF THE AGREEMENT

Apart from alterations in the Indian customs tariff, the agreement between the United Kingdom and India includes, among various clauses which are of no immediate interest to Canada, an important undertaking on the part of the Indian Government to accord a minimum preferential margin of duty to certain products of United Kingdom origin or manufacture. These preferential margins have been in force under the previous agreement. A number of the commodities concerned are already or might be exported from Canada to this market and a list of them, with corresponding margins of preference to be accorded in the case of imports from the United Kingdom, is given herewith:—

Commodity	Margin of U.K. Preference
Drugs and medicines containing spirit:	
(1) When strength is not to be tested	Rs. 4 per gal.
(2) Other	Rs. 3 per gal.
Chemicals, drugs and medicines, n.e.s. with specified exceptions	10 per cent

Commodity	Margin of U.K. Preference
Paints, colours and materials, n.e.s.:	
(a) Red lead, dry, moist and reduced moist	
(b) White lead, genuine dry	
(c) Zinc white, genuine dry	
(d) Paints, others, coloured, moist	10 per cent
Woollen carpets and other manufactures n.e.s.	10 per cent
Iron or steel hoops and strips	10 per cent
Iron or steel barbed or stranded wire and wire rope	10 per cent
Domestic refrigerators	10 per cent
Sewing and knitting machines and parts	10 per cent
Electrical instruments, apparatus, etc., n.e.s.	10 per cent
Electrical control and transmission gear	10 per cent
Wireless apparatus and parts	10 per cent
Motor cars and parts	7½ per cent
Motor cycles and parts	7½ per cent
Motor buses and parts	7½ per cent
Bicycles and parts	10 per cent
Instruments, apparatus, etc., other than electrical, scientific, philosoph- ical, and surgical	10 per cent

The Indian Government also undertakes to accord similar margins of preference to specified imports from practically all British colonies and protectorates. The particular goods covered by this part of the agreement are, as in the case of the United Kingdom, largely those to which the preferences in question have been available under the previous agreement, but for purposes of reference a condensed list of those commodities which are or might be exported from Canada is given herewith:—

Commodity	Margin of Colonial Preference
Fresh vegetables	10 per cent
Dried, salted or preserved vegetables	10 per cent
Canned or bottled fruits and vegetables	10 per cent
Fruit juices	10 per cent
Artificial teeth	10 per cent
Fresh fruits, excluding coconuts	10 per cent
Dried, salted or preserved fruits	10 per cent

Detailed information regarding the United Kingdom-India Trade Agreement and the tariff changes involved may be obtained on application to the Department of Trade and Commerce, Ottawa, or the Canadian Trade Commissioner, Calcutta.

France

IMPORT QUOTAS FOR THIRD QUARTER, 1939

Mr. Hercule Barré, Commercial Attaché in Paris, cables that under a French decree of June 30, 1939, the quotas allotted to Canada by France for the third quarter of 1939 are as follows, in metric quintals of 220·4 pounds: cheese, 400; rolled oats, 3,000; brewing barley, nil; tomato preserves, 60; preserved fish, other than salmon, 25; sweetened biscuits, 14; patent leather, 48; calf and other small skins, 7½; insulating board, 125; lead, 2,512; cultivators, 16; reapers and threshers, 87; other agricultural machinery, 139; cinematograph films, positive, 2·90.

(Details of quotas for the second quarter of 1939 were published in *Commercial Intelligence Journal* No. 1837: April 15, 1939, page 560.)

Paraguay

PERMITS REQUIRED FOR ALL IMPORTS

The *Board of Trade Journal* (London, England) of June 15, 1939, states that the British Consul at Asunción has reported that a decree has been signed prohibiting the importation of all classes of merchandise into Paraguay without the previously obtained permission of the newly-formed Import Control Commission.

United States

ADDITIONAL EXEMPTIONS FROM MARKING REGULATIONS

With reference to the notices in *Commercial Intelligence Journal* No. 1805 (September 3, 1938), page 400, and No. 1838 (April 22, 1939), page 597, instructions were issued on June 24, 1939, by the United States Treasury Department that the following additional list of articles do not require to be marked to indicate the country of origin:—

- | | |
|--|---|
| Art, works of | Metal bars, except concrete reinforcement |
| Articles described in paragraphs 1773 or 1774, Tariff Act of 1930, when not imported for sale in the United States | bars, billets, blocks, blooms, ingots, pigs, plates, sheets except galvanized sheets, shafting, slabs, and metal in similar forms |
| Articles entered in good faith as antiques and rejected as unauthentic | Nails, spikes, and staples |
| Ball bearings, $\frac{3}{8}$ -inch or less in diameter | Nets, bottle, wire |
| Bands, steel | Ornaments, glass Christmas tree |
| Beads, unstrung | Paper, stencil |
| Blanks, metal, to be plated | Parchment and vellum |
| Bolts, nuts, and washers | Parts for machines imported from same country as parts |
| Briquettes, coal or coke | Pins, tuning |
| Buckles, 1 inch or less in greatest dimension | Pipes, iron or steel, and pipe fittings of cast or malleable iron |
| Cards, playing | Plants, shrubs and other nursery stock |
| Cellophane and celluloid in sheets, bands or strips | Plugs, tie |
| Chemicals, drugs, medicinal, and similar substances, when imported in capsules, pills, tablets, lozenges, or troches | Railway materials described in paragraph 322, Tariff Act of 1930 |
| Cigars and cigarettes | Ribbon |
| Covers, straw bottle | Rivets |
| Dies, diamond wire, unmounted | Rope, including wire rope; cordage; cords; twines, threads, and yarns |
| Dowels, wooden | Scrap and waste |
| Effects, theatrical | Screws |
| Feathers | Shims, track |
| Flowers, artificial, except bunches | Skins, fur, dressed or dyed |
| Flowers, cut | Springs, watch |
| Glass, cut to shape and size for use in clocks, hand, pocket, and purse mirrors, and other glass of similar shapes and sizes, not including lenses or watch crystals | Stamps, postage or revenue, and other articles described in paragraph 1771, Tariff Act of 1930 |
| Glides, furniture, except glides with prongs | Sugar, maple |
| Hairnets | Tiles, not over 1 inch in greatest dimension |
| Hoops (wood), barrel | Tips, penholder |
| Mica not further manufactured than cut or stamped to dimensions, shape, or form | Weights, analytical and precision, in sets |
| | Wicking, candle |
| | Wire, except barbed |

In the case of any article described in the above list which is imported in a container, the outermost container in which the article ordinarily reaches the ultimate purchaser is required to be marked to indicate the origin of its contents.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

North China

M. T. STEWART, ACTING CANADIAN TRADE COMMISSIONER

Shanghai, June 9, 1939.—The currency situation in North China and in Shanghai is very unsettled. Recently a serious drop in the foreign exchange value of the Chinese dollar has occurred, but foreign exchange is still freely available in Shanghai at variable market rates.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 10, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 10, 1939, and for the week ending Monday, July 3, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 3	Nominal Quotations in Montreal Week ending July 10	Official Bank Rate
Belgium	Belga	.1001	\$.1704	\$.1703	2½
Bulgaria	Lev	.0072	.0121	.0121	6
Denmark	Krone	.2680	.2095	.2094	3½
Finland	Markka	.0252	.0206	.0205	4
France	Franc	.0392	.0265	.0265	2
Germany	Reichsmark	.2382	.4023	.4020	4
Great Britain	Pound	4.8666	4.6945	4.6915	2
Greece	Drachma	.0130	.0086	.0086	6
Holland	Guilder	.4020	.5323	.5321	2
Hungary	Pengo	.1749	.2959	.2956	4
		Unofficial	.1963	.1961	—
Italy	Lira	.0526	.0527	.0527	4½
Yugoslavia	Dinar	.0176	.0227	.0230	5
Norway	Krone	.2680	.2359	.2357	3½
Poland	Zloty	.1122	.1887	.1887	4½
Portugal	Escudo	.0442	.0425	.0427	4-4½
Roumania	Leu	.0060	.0070	.0071	3½
Spain	Peseta	.1930	.1105	.1104	4
Sweden	Krona	.2680	.2417	.2416	2½
Switzerland	Franc	.1930	.2261	.2259	1½
United States	Dollar	1.0000	1.0029	1.0021	1
Mexico	Peso	.4985	.1768	.1677	3
Cuba	Peso	1.0000	1.0025	1.0017	—
Guadeloupe	Franc	.0392	.0265	.0265	—
Jamaica	Pound	4.8666	4.7045	4.7015	—
Martinique	Franc	.0392	.0265	.0265	—
Other British West Indies	Dollar	1.0138	.9780	.9774	—
Argentina	Peso (Paper)	.4245	.3130	.3128	3½
		Official buying	.2761	.2760	—
		Unofficial	.2327	.2325	—
Brazil	Milreis (Paper)	.1196	.0608	.0607	—
		Unofficial	.0508	.0503	—
British Guiana	Dollar	1.0138	.9780	.9774	—
Chile	Peso	.1217	.0519	.0518	3-4½
		Unofficial	.0401	.0401	—
Colombia	Peso	.9733	.5715	.5710	4
Peru	Sol	.2800	.1705	.1804	6
Venezuela	Bolivar	.1930	.3109	.3107	—
Uruguay	Peso	1.0342	.6177	.6173	—
		Unofficial	.3575	.3577	—
South Africa	Pound	4.8666	4.6825	4.6800	3½
Egypt	Pound (100 Piastres)	4.9431	4.8142	4.8105	—
China (Shanghai)	Dollar	.....	.1266	.1272	—
Hongkong	Dollar	.....	.2886	.2885	—
India	Rupee	.3650	.3501	.3496	3
Japan	Yen	.4985	.2736	.2734	3.29
Java	Guilder	.4020	.5333	.5335	—
Siam	Baht (Tical)	.4424	.4303	.4299	—
Straits Settlements	Dollar	.5678	.5492	.5489	—
Australia	Pound	4.8666	3.7550	3.7550	3
New Zealand	Pound	4.8666	3.7700	3.7700	4

The Dominion Bureau of Statistics has supplied the following note:—

Most currencies moved fractionally lower at Montreal during the week ended July 10. Sterling was under somewhat greater pressure and, despite support from the Exchange Equalization fund, rates eased from \$4.6945 on July 3 to \$4.6915 on the 10th. During the same interval premiums on the United States dollar were reduced from 1¼¢ to 7⁄32 of one per cent. Quotations on the French franc closed at 2.6544 cents compared with 2.6560 cents on July 3 while the Netherlands florin eased 2 points to 53.21 cents. Following the passing of new monetary measures by the United States Congress on July 5, the Mexican peso (unofficial) moved up to 18.05 cents on the 6th from 17.68 cents on the 3rd. However, peso quotations had dropped back to 16.77 cents by the 10th.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Commercial Alkali.....	277	Singapore, Straits Settlements.....	Agency.
Ice Cream Freezers (for Domestic Use).....	278	Cairo, Egypt.....	Purchase.
Door-panel Stock.....	279	Melbourne, Australia.....	Purchase or Agency.
Douglas Fir Plywood.....	280	Melbourne, Australia.....	Purchase and Agency.
Galvanized Steel Sheets.....	281	Birmingham, England.....	Purchase.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Montrose, July 22 and Aug. 15; Duchess of Bedford, July 28; Montclare, Aug. 4; Duchess of York, Aug. 9—all Canadian Pacific; Andania, July 28; Antonia, Aug. 11—both Cunard-White Star Line; Vigor, Fjell Line, July 27.

To London.—Beaverbrae, July 21; Beaverdale, July 28; Beaverhill, Aug. 4; Beaverford, Aug. 11; Beaverburn, Aug. 18—all Canadian Pacific; Aurania, July 21; Ascania, July 28; Ausonia, Aug. 4; Alaunia, Aug. 11, all Cunard-White Star Line; Carmelfjell, July 26; Taborfjell, Aug. 9; Svanefjell, Aug. 23—all Fjell Line.

To Manchester.—Manchester City, July 20; Manchester Regiment, July 27; Manchester Port, Aug. 3; Manchester Citizen, Aug. 10; Manchester Progress, Aug. 17; Manchester Commerce, Aug. 24—all Manchester Line; Vigor, Fjell Line, July 27.

To Avonmouth, Bristol, Cardiff and Swansea.—Norwegian, Aug. 19; Dakotian Sept. 6—both Cunard-Donaldson and Dominion Lines; New York City, July 26; Bristol City, Aug. 9; Boston City, Aug. 26—all Bristol City and Dominion Lines.

To Glasgow.—Athenia, July 24; Sulairia, July 28; Letitia, Aug. 4; Delilian, Aug. 11—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Consuelo, Aug. 3; Bassano, Aug. 17—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnesk, July 26; Cairnmona, Aug. 2; Cairnross, Aug. 9; Cairnvalona (also calls at Dundee), Aug. 16; Cairnglen, Aug. 23—all Cairn-Thomson Line.

To United Kingdom Ports.—Windsorwood and Maplewood (will also call at Continental ports if sufficient cargo offers), July 20; Wearwood (calls at London), Aug. 3; Yorkwood, Aug. 10; Kirmwood, Aug. 15—all Constantine Line.

To Belfast and Dublin.—Torr Head, about July 20; Dunaff Head, August 8—both Head Line (also call at Londonderry and Cork).

To Hamburg and Bremen.—Beaverdale, Canadian Pacific, July 28 (does not call at Bremen; Bochum, Hamburg-American Line, Aug. 11; Koenigsburg, North German Lloyd Line, Aug. 25).

To Antwerp.—Beaverbrae, July 21; Beaverhill, Aug. 4; Beaverford, Aug. 11; Beaverburn, Aug. 18—all Canadian Pacific; Lista, July 20; Brant County, Aug. 6; Eastern Star, Aug. 16—all County Line (also call at Havre); Carmelfjell, July 26; Taborfjell, Aug. 9; Svanefjell, Aug. 23—all Fjell Line.

To Rotterdam.—Lista, July 20; Hada County, Aug. 7; Grey County, Aug. 25—all County Line; Carmelfjell, July 26; Taborfjell, Aug. 9; Svanefjell, Aug. 23—all Fjell Line.

To Norwegian Ports.—Vigor, Fjell Line, July 27; Idefjord, Norwegian-American Line, July 10.

To Scandinavian and Baltic Ports.—Stureholm, Swedish America Mexico Line, Aug. 16; Gripsholm, July 24; Kungsholm, Aug. 19—both Swedish-American Line.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Noli, Aug. 1; Capo Lena, Aug. 19; Capo Olmo, Sept. 7—all Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—Gaspesia, July 19; New Northland, July 24—both Clark SS. Co. (call at Cornerbrook only); Belle Isle (calls at St. John's and St. Pierre-Miquelon), Newfoundland-Canada SS. Ltd., July 28; Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd., July 29 and Aug. 29.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, July 22; Chomedy, Aug. 5; Colborne, Aug. 19—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Lady Somers, July 19; Cathcart (calls at Kingston only), July 28; Lady Rodney, Aug. 2; Cavalier (calls at Kingston only) Aug. 11—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Maud, July 29; a steamer, Aug. 12—both Ocean Dominion SS. Corp.

To Buenos Aires.—Tureby, Aug. 5; Tercero, Sept. 8—both International Freighting Corporation (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Port Montreal, July 25; Kaikoura, Aug. 25—both Montreal Australia New Zealand Line Ltd. (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—Port Saint John, Montreal Australia New Zealand Line Ltd., Aug. 10.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Rhexenor, July 21; Tawali, Aug. 24—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Cochrane (also calls at Free-town), July 20; Deido (also calls at Lourenco Marques and Beira), Aug. 5—both Elder Dempster Lines Ltd.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Bedford, Canada-India Service, July 18.

From Quebec

To Southampton.—Empress of Australia, July 18 and Aug. 3; Empress of Britain, July 29 and Aug. 12—both Canadian Pacific.

From Saint John

To Liverpool and Manchester.—Manchester Exporter, July 22; Manchester Brigade, Aug. 12—both Manchester Line.

To London, Aberdeen, Newcastle and Hull.—Gitano, July 29; Kyno, Aug. 25—both Ellerman's Wilson Line.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, July 19; Lady Nelson, Aug. 2; Lady Hawkins, Aug. 16—all Canadian National.

To Kingston and Jamaican Outports.—Metapan, July 19; Zacapa, Aug. 2; a steamer, Aug. 16—all United Fruit Co.

From Halifax

To Liverpool.—Nova Scotia, Aug. 3; Newfoundland, Aug. 19—both Furness Line.

To St. John's, Nfld.—Fort Amherst (also calls at Cornerbrook), July 17 and 31, Aug. 14; Fort Townshend (also calls at St. Pierre), July 24, Aug. 7 and 21—both Furness-Red Cross Line; Portia, Newfoundland Ry and SS. Co., July 19; Magnhild, Newfoundland-Canada Steamships Ltd., July 24, Aug. 7 and 21 (also calls at St. Pierre and Newfoundland outports); Nova Scotia, Aug. 3; Newfoundland, Aug. 19—both Furness Line.

To Kingston, Jamaica.—Cavelier, July 17 and Aug. 14; Cathcart, July 31—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, July 27; Lady Nelson, Aug. 10; Lady Hawkins, Aug. 24—all Canadian National; Ary Lensen, July 20; Maud, Aug. 3; a steamer, Aug. 17—all Ocean Dominion SS. Corp. (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, July 26; Chomedy, Aug. 9; Colborne, Aug. 23—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, July 28; a steamer, about Aug. 11—both Pickford & Black Ltd. (also call at Jamaican outports as cargo offers).

To Far East Ports.—Malayan Prince, July 22; Chinese Prince, Aug. 21—both Furness-Prince Line; Silversandal, Aug. 6; Silveryew, Sept. 5—both Silver Line.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, July 25; Hikawa Maru, Aug. 12; Hie Maru, Aug. 26—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Russia (calls at Nagasaki), July 22; Empress of Japan (calls at Honolulu), Aug. 5; Empress of Asia (calls at Nagasaki), Aug. 19; Empress of Canada (calls at Honolulu), Sept. 2—all Canadian Pacific; Tyndareus, July 29; Ixion, Sept. 2—both Blue Funnel Line (call at Miike but not at Manila).

To Shanghai, Weihaiwei and Dairen.—Rugeley, North Pacific Shipping Co. Ltd., about July 26.

To Pacific Islands, Northern Group (New Britain, New Ireland, New Guinea, Papua, Solomon Islands, Gilbert Islands and Townsville).—Velox, Empire Shipping Co. Ltd., July 20.

To Honolulu, Suva, Auckland and Sydney.—Monowai, Aug. 2; Aorangi, Aug. 30—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia, Colombo and Bombay.—Hoegh Transporter (calls at Belawan Deli, will also call at Singapore, Port Swettenham and Penang if cargo offers), July 24; Hoegh Silverstar (calls at Saigon, Singapore, and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if cargo offers), Aug. 1; a vessel (calls at Belawan Deli, will also call at Singapore, Port Swettenham and Penang if cargo offers), Aug. 23—all Silver-Java Pacific Line.

To Papeete, Auckland, Wellington, Melbourne and Sydney.—Limerick (also calls at Lyttelton), July 19; Hauraki (also calls at Dunedin and Adelaide), Aug. 15—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne and Adelaide.—Goonawarra, Aug. 15; Kookaburra, Sept. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Delftdyk (also calls at Glasgow), July 22; Dinteldyk, Aug. 5; Lochavon (also calls at Glasgow), Aug. 19; Lochkatrine, Sept. 2—all North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Lima, July 21; Balboa, Aug. 18—both Johnson Line.

To Antwerp, Hamburg and Bremen.—Seattle, July 29; Tacoma, July 30—both Hamburg-American Line; Este, July 30; Isar, Aug. 21—both North German Lloyd Line.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Wisconsin, July 23; Oregon, Aug. 8; Wyoming, Aug. 23—all Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Leme, Aug. 12; Fella, Sept. 9—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—A steamer, Silver-Java Pacific Line, about Aug. 8 (calls at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Hopecrest, North Pacific Shipping Co. Ltd., July 26.

To West African Ports.—A vessel, Jorgensen Shipping Company A/B, end of September (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi, and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., late July and August.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Hoyanger, July 26; Leikanger, Aug. 23—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

To Buenaventura and Guayaquil.—A steamer, North Pacific Shipping Co. Ltd., July (also calls at Mexican and Central American west coast ports).

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER. Address for letters—90 Queen Street. Office—Safe Deposit Office Building. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

J. C. MACGILLIVRAY, 801 Columbus-Haus, Potsdamer Platz 1, Berlin W.9. (Territory includes Czecho-Slovakia and Poland.) *Cable address, Cantracom.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W. 1. *Cable address, Sleighing, London.*

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London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilcon.*

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Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

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United States

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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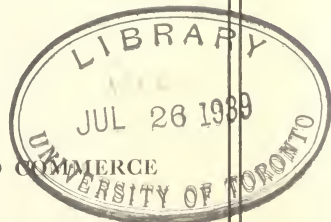
Ottawa, July 22, 1939

No. 1851



One of 50 houses built at Kirkintilloch, Scotland, of Douglas Fir,
Eastern Spruce and Western Red Cedar from Canada

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, July 22, 1939

No. 1851

BUSINESS CONDITIONS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, July 4, 1939.—One of the most important industrial developments in Scotland for many years is promised by the decision of Rolls-Royce Limited to establish a new factory for the production of aero-engines on the Hillington Industrial Estate near Glasgow. Among the reasons leading the company to choose this location are the strategic position of the West of Scotland, the availability and quality of skilled labour, and the sufficient and cheap services, including gas, water, and electricity. The factory will occupy a site of 106 acres, will cost several million pounds, and will give employment to 10,000 men.

IRON AND STEEL

The tremendous activity which has been a feature of the past three months in the Scottish steelworks is expected to increase still further. Great and increasing pressure on makers of steel before the "Fair" holidays (last fortnight in July) is being exercised, more especially from the shipyards. For the first time on record one of the plants of an important steel manufacturer will be operated throughout the "Fair" holiday period. This step has been made possible by the "staggering" of employees' holidays. The workers of this establishment are taking their holidays in echelon from June to September, and if the experiment proves the success it is expected it will likely be tried by several other large employers.

The demand for steel is largely on armament account, but export business in June was satisfactory and the general tone of markets was strong.

The recent period of shortage of raw materials, both pig iron and scrap, during which Scottish steelmakers were living almost from hand to mouth, was alleviated in June by the arrival of several cargoes of American scrap. The pig iron production of the country, however, is expanding rapidly.

SHIPBUILDING

As stated in the last annual report of this office, the year 1938 was one of high output of ships but few orders. Consequently in the early part of the year several of the shipyards were idle and many were finishing off their last ship. But during the past quarter the position has been completely changed as a direct result of the Government's decision to assist the shipping industry by subsidies and loans which would also assist the shipbuilding industry. Builders of tramp and cargo tonnage were at once flooded with inquiries and orders for new ships. In April alone Clyde firms booked orders for 40 merchant vessels, amounting to over 200,000 tons gross. Between merchant and warship tonnage, every one of the 22 Clyde shipbuilding establishments has some work, and a number have sufficient orders in hand to carry them along for two years. Warship work has been augmented, recent orders including six destroyers and ten escort vessels.

Admiralty orders to the Clyde in the last three years have amounted to over £52,000,000 and the bulk of that work is still under way. The present position is that after each warship is launched the keel of another is laid down. Next year deliveries to the Admiralty will be even greater.

While the tonnage of merchant vessels launched this year will probably be comparatively low, owing to the few commercial orders placed in 1938, the outlook is very satisfactory and few skilled shipyard workers should be unemployed.

COAL

The general position of Scottish collieries can be described as very satisfactory, the only weak spot being house coal. In other respects the collieries are much better off than last year, both on home and export account. Inland improvement is due to the marked revival in the sale of industrial fuel. Prices show all-round stability.

ENGINEERING

A large number of new orders was received by various branches of the industry during the past quarter, makers of boilers and marine engines particularly having acquired immense volume of business following the decision of the Government to assist the shipping industry. Clyde engineering firms will supply the propelling machinery for the 40 ships for which orders were placed on the Clyde during April, as well as for many ships to be built on the East Coast, and also for the numerous warships now under construction in the Clyde area.

Machine toolmakers are busy both for home and overseas account. Locomotive builders have booked some overseas work, Dominion and foreign, and are also building a large number of army tanks as well as other equipment for the Government. Structural engineers are busy on new factories, etc.

DISTILLING INDUSTRY

Business during the past quarter has been very steady, the home trade having increased over the same period of last year, while the export trade, particularly to the United States, continues very satisfactorily.

TEXTILE INDUSTRIES

The Scottish tweed industry was in low water at the beginning of the last quarter as a result of the cessation of buying by Europe because of the political situation and of caution at home. But in recent weeks substantial Government orders for khaki serge have been placed in the Border mills and further large orders are expected. The civilian trade has also improved.

The output of linoleum is being maintained at the usual high level. With the large housing schemes in progress in all parts of the country, and other structural works, trade is very satisfactory and prospects good.

EMPLOYMENT

For the first time since February, 1930, the number of unemployed persons in Scotland has fallen below the 200,000 mark, the official figure as at June 12 having been 199,456, which included 176,093 wholly unemployed, 19,193 described as "temporarily stopped," and 4,170 normally in casual employment. The fall in workless figures is spread over all the main industries with the exception of coal mining, where activity is normally less at this season.

While the defence program has greatly influenced this result it is not completely responsible for the upward surge in industry, trade, and employment. Rearmament orders do not explain last month's better export figures, nor do they account for the revival in other directions.

HAY CROP AND MARKET CONDITIONS IN THE UNITED KINGDOM

A REVIEW BY CANADIAN TRADE COMMISSIONERS

London, July 10, 1939.—The succeeding regional reports outline the present prospects for the hay crop this season in the various areas of the United Kingdom and summarize the current market position. A complete discussion of the hay market forms part of the comprehensive report "Feedstuffs in the United Kingdom," the section of which on hay was published in *Commercial Intelligence Journal* No. 1848.

In general it would appear that the crops will be fairly normal taking the country as a whole. The official forecast indicates that the yield of seeds hay in England and Wales will be about 26 cwts. per acre or about the average of the past ten years. The yield of meadow hay is expected to be about 18 cwts. per acre or about 1 cwt. lower than the ten-year average.

Southeastern England

H. L. BROWN, ASSISTANT TRADE COMMISSIONER, LONDON

CROP CONDITIONS

By and large, the weather has not been too unfavourable to the hay crop this year. As a result of several weeks of strong sunshine in June the crop came along well. Hay-making has been delayed, however, during the past week or so by frequent showers and a great deal still remains to be done. The meadow hay, which has largely been cut, is reported to be a little on the short side. At the same time the showery weather has caused the bottom grasses to fill out well and there is every reason to expect a good average crop within a radius of about 60 miles of London. It is the clovers and mixtures which have suffered most from the showers and it may be expected that upwards of a fifth of the total of this class will be spoiled for quality.

MARKET CONDITIONS

There will be very little old hay carried over from 1938. It is reported that supplies continue small and best qualities are difficult to find. Arrivals of Canadian hay continue and their sale encounters little difficulty. At the same time, with demand now at its minimum, the small supplies available, coupled with parcels of Canadian, are proving amply sufficient to supply current needs. Prices show no material change, the prime meadows fetching £5 10s. to £5 15s. per long ton delivered and Canadian continuing at about 85s. to 90s. ex wharf for "f.a.q."

In London itself hay merchants are not optimistic concerning the trade as a whole, because of the continuing displacement of horses in favour of motor vehicles.

West of England, South Midlands, and South Wales

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER, BRISTOL

CROP CONDITIONS

The outlook for hay production in the West of England, South Midlands, and South Wales has improved during the last three weeks due to a fair amount of rain. Some locations, principally hillside, will not produce an average crop on account of the dry weather experienced during May and early June; while valley farms, which have retained their moisture, are giving better results. Spring began under favourable conditions, but the young grass had hardly got

under way when a withering drought set in, turning the green countryside to a yellowish-brown. During this dry spell a quantity of grass was cut which was of fairly good quality, although on the light side. Some farmers waited, hoping that rain would come, but as the dry spell continued they in turn decided to mow. A number of them, however, were caught by wet weather with the cut grass on the ground, and consequently some of the hay will be inferior. Perhaps half the acreage has not yet been cut, and this should produce a good harvest of excellent quality. While the crop as a whole will not be more than average, it will be an improvement on last year both as to quantity and quality.

MARKET CONDITIONS

Last year's carry-over in this area is practically exhausted, but new hay is available and is coming along in sufficient quantity to allay any anxiety as to a shortage, allowance being made for the normal amount of imports.

The low price of wheat has an indirect effect on all animal feeds. French wheat, which is being quoted at around £4 7s. 6d. per ton c.i.f., for example, has a depressing influence on feed barleys, which are some 6s. lower. A recent arrival of Canadian No. 2 clover mixed hay was bought at £4 3s. 6d. per ton c.i.f., to which should be added 10s. to cover port expenses and commission. The freight on this was 45 cents per 100 pounds. Transport charges to the consumer vary according to distance, but, roughly speaking, this hay on arrival at the farm would cost the consumer about £5 per ton. Buyers expect to pay some 2s. 6d. per ton less for f.a.q. Canadian than for the above quality.

SHIPPING SPACE

The problem with regard to the marketing of Canadian hay in this region is not that of price, but primarily one of available shipping space from Montreal to Bristol Channel ports. There are said to be more buyers than there are Canadian sellers in a position to deliver, and the complaint is general among traders that space cannot be had, one agent stating that none was available until the end of August.

There are three regular lines plying between Montreal and Bristol Channel ports, one of which is limited to Swansea. In addition there are a number of ships taking coal regularly from South Wales, and there are also tramps. The owners of these steamers claim that hay is a non-remunerative freight; it is too bulky and pays roughly 30 per cent less than grain and other bulk cargoes, such as gypsum. The hay trade has from experience formed the opinion that steamship companies, including tramp owners, with sailings out of Montreal will not contract in advance for space, but will only accept hay at the last moment if there is a shortage of cargo. This is an unsatisfactory position from the point of view of Bristol Channel port dealers, some of whom were unable last autumn to secure delivery of Canadian purchases and consequently had to fulfil their local contracts at a loss.

North of England

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER, LIVERPOOL

CROP CONDITIONS

The northern crop of hay being from ten days to a fortnight behind the southern, farmers here were unable to take advantage of the excellent hay-making conditions during the recent drought. Since then rain has fallen practically every day, and though a considerable quantity of hay has been cut a good proportion of it is still lying on the ground or in small stacks. At this time it can only be said that the size of the crop is expected to be above that of last year on average. As to quality, it is much too early to obtain any

reliable information, since so much depends on the weather during the next fortnight.

The second crop in the North is never of much consequence. It is only a light one, and it really does not affect the situation to such an extent as the second crop in the South. In any case, no information whatever is forthcoming on the prospects at this early stage.

MARKET CONDITIONS

Prices of English hay are rather easier than at the opening of St. Lawrence navigation. Any mention of definite prices at this time, when the little trade that is going on in English hay consists almost entirely of the clearing up of old stocks, would be misleading. Canadian hay prices are still around 72s. 6d. per ton c.i.f. for good f.a.q., 75s. per ton c.i.f. for clover mixture, and 80s. per ton c.i.f. for timothy and clover mixtures.

Since the opening of the port of Montreal arrivals of hay from Canada at Liverpool and Manchester have been steadily maintained in fair quantities. It is expected, however, that these shipments will ease off now owing to the usual summer slackening in demand.

Supplies of old crop English hay are practically all cleaned up.

Scotland

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER, GLASGOW

It is not possible to give the acreage or estimated yield of the hay crop in Scotland in 1939, as the official figures are not usually available until much later in the year. But there is no reason to suppose that the acreage is greatly different from that of last year when it totalled 559,813 acres, made up as follows: rotation grass, 386,691 acres; permanent grass, 118,126 acres; timothy meadows, 54,996 acres.

CROP CONDITIONS

In all districts round about Glasgow there has been an exceptionally early harvest, much of the hay being already in the small stacks. This has been made in excellent condition, and although the quantity may be a little below average, this is compensated for by the much better quality than during the last few years. In the main district which supplies Glasgow, the Carse of Stirling, the crops are reported to be in excellent condition, and will yield a full harvest provided the weather in the course of the next few weeks continues favourable. On the other hand, in the Lothians (surrounding Edinburgh) the crop conditions are reported to be disappointing owing to cold dry weather in that section, where there is usually less rainfall than in western districts. A light crop is also expected in Aberdeenshire. On the whole, it appears that the crop in Scotland will be much below the average in quantity, but probably above the average in quality.

MARKET CONDITIONS

Last year's Scottish crop has found a continuous market this year, owing to certain districts being very short of grass early this summer, notably south Scotland. This outlet has tended to absorb more of the previous year's hay than usual, and prices have advanced a little during the last month or two.

Owing to this year's comparatively small crop there will probably be a greater demand for supplies from Canada, and care should be taken by Canadian exporters to ship hay up to the quality demanded and of the grade required. The Glasgow market requires a clean, strong timothy; Canadian hay containing clover is not favoured at this port.

This year the price of Canadian hay has not been on a parity with that for the best Carse of Stirling hay. The former is now about 87s. 6d. per long ton c.i.f. Glasgow. It is not possible to make a comparison in exact figures with the price of the best Carse of Stirling hay because such things as credit terms, loading wagons at the quay and other factors vary with individual sales, but it is stated that 87s. 6d. c.i.f. for Canadian is now about 7s. 6d. to 10s. above parity, allowing for the fact that Canadian is reckoned to be worth in feeding value up to 10s. a ton more. When this premium of 10s. a ton is not exceeded business in Canadian is normally brisk. When the premium exceeds 10s. Canadian is hard to sell, unless the quality of the home hay is inferior, when a premium of more than 10s. is very often obtained.

Every hay buyer in the Glasgow area is informed of the arrival of shipments at the Glasgow docks and knows how much there is available. Consequently the importer is compelled to sell at gradually decreasing prices if the quantity is greater than can readily be absorbed. Regularity of moderate shipments, rather than large spasmodic shipments, therefore, is of great importance in maintaining a healthy and profitable trade. Figures extracted from the Clyde and Forth Bill of Entry show that 2,894 tons of Canadian hay was imported at Glasgow and Leith during 1938. There were no imports from other countries.

From all reports available the price of hay is likely to advance. In fact, old crop Carse of Stirling hay advanced 5s. to 10s. per ton this week.

HOUSING PROGRESS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, June 16, 1939.—Since the Great War, social services in the United Kingdom have expanded to such an extent that government expenditures for this purpose have increased annually, reaching in 1937 the formidable total of approximately £504,000,000.

The most important post-war development in this direction has been the building of houses by local authorities (city, town, and county councils) under various Housing Acts, part of the cost being borne by the national exchequer. Under these various Acts nearly 1,500,000 houses have been built in Great Britain in the past twenty years, in addition to the large number erected by private enterprise.

As a result of the complete cessation of building during the four years of the War, there was a great shortage of houses, particularly for people in the lowest income groups, who, of course, far outnumber the other classes. It was realized that private enterprise could not alone cope with the situation, and, in addition, there was the difficulty that the majority of private firms build houses for sale which the working classes cannot afford to buy and for which they cannot pay an economic rent if the houses were lettable. There was not only this accumulated shortage through the war years to be made up, but there was the necessity, for reasons of health and humanity, of clearing out the slums and providing houses to replace them, of eliminating overcrowding and of improving existing dwellings. Operations since the War, therefore, have in the main consisted in providing the cheaper houses for the working classes by the local authorities assisted by the Government and in the building for sale by private companies of houses for the more well-to-do.

ADMINISTRATION FROM EDINBURGH

Great Britain is such a comparatively small, compact country that it is natural to assume that the conditions in one part are typical of those prevailing in others. This, however, is not always the case. Local customs and habits,

partly racial and partly climatic in origin, persist in spite of modern communications. Such differences are, naturally enough, greatest as between England and Scotland.

Because of the recognition of this diversity by the authorities, and for national and historical reasons, Scotland has certain government departments of its own, located in Edinburgh, which are under the control of the Secretary of State for Scotland and are separate from the corresponding English departments in London. One of these is the Department of Health for Scotland, and one of its most important duties is the administration of the Housing Acts passed by Parliament and the general supervision of the housing schemes launched by (Scottish) local authorities.

In the event of a local authority failing to exercise its powers under these Acts, the Department of Health may, after holding a public local inquiry, assume the powers of the local authority and do what is necessary, the cost being met by the local authority. The department, however, never has had to go to these lengths. It issues its recommendations regarding housing schemes, plans and specifications, and as a rule the local authorities are guided by them and, indeed, are glad to have such a co-ordinating authority to establish some sort of a general standard, because a feeling of confidence is thereby established and time and money is saved. It is probably rare for a local authority to deviate much from the recommendations so made. If, however, a local authority persistently and flagrantly violated the statutory requirements and conditions, the department could withhold the government subsidy.

Although the provision of unsubsidized houses by local authorities is not subject to the department's approval, the department has power in certain circumstances to call for the submission of the plans. Without having to resort to this power, however, the department generally arranges, by friendly collaboration with the local authorities, that unsubsidized houses comply with the same standards of construction, letting, etc., as subsidized houses.

The department has no control over private building, which is governed by by-laws made by the local authorities.

LESS PRIVATE BUILDING IN SCOTLAND

Since the War and up to the end of March, 1938, according to the official returns, over 3,500,000 houses have been provided in England and Wales, of which over 1,000,000 have been built by local authorities and over 2,500,000 by private enterprise. The Minister of Health announced early in May that the four-millionth house had just been completed. During the same period a grand total of 303,576 working-class houses has been erected in Scotland, of which 208,337 have been provided by the local authorities and 95,239 by private enterprise. Taking the ratio of population as 8 in England and Wales to 1 in Scotland, it is apparent that private enterprise has been more active in England than in Scotland, while in the northern part of the kingdom the local authorities have done more, relatively, than in the south.

There are several reasons why private enterprise is less active in Scotland than in England. Scottish property owners maintain that the Scottish rating system, under which owners have to pay local rates, discourages private building, and they would like to see the adoption of a system like that in operation in England where all rates are payable by the occupier. But if this is a reason for the failure of private enterprise to build working-class houses in Scotland, it is not the only one nor necessarily the most important. Building costs are higher in Scotland than in England, while, generally speaking, rents are lower.

MANY ADDITIONAL HOUSES REQUIRED

The impressive figures for Scotland should not be regarded as an indication that the housing problem is nearing solution. In its last annual report

(1938) the Department of Health states that nearly a quarter of a million new houses are still required before the working-class population of Scotland is satisfactorily housed. In Glasgow alone, where the population is roughly 1,250,000, the Glasgow Corporation plans to build 65,000 houses over a period of some years, although since the War and up to the end of April, 1938, Glasgow has built 48,738 houses, these being additional to the numbers erected by private enterprise, which in Glasgow has not been very active since the withdrawal of subsidies to private builders in 1934. Incidentally, the Convenor of the Corporation Housing Committee has stated that the structural and finishing timbers to be used would be of Canadian growth and manufacture, in continuation of the practice that has prevailed in that city for some years when price and reasonably quick delivery permitted.

ORGANIZATION

While the final local authority in the projection and erection of housing schemes is the town (or county) council, in most districts in Scotland there is a housing committee of that council, headed by a convenor or chairman, to originate plans and see that they are carried out. Working under this committee is a paid staff under a housing director who may be the city architect, city engineer or burgh surveyor. On the other hand, more especially in the smaller places, schemes are often drawn up by an outside architect working in association with the burgh surveyor and under the direction of the council. When schemes are approved by the council, tenders are invited from contractors for the different classes of work to be undertaken—roads, sewers, bricklaying, joinery work, plumbing, etc. Plans and house tenders are subject to the approval of the Department of Health. Rarely is a scheme carried through by different trades in the regular employment of the council, although in recent times Glasgow has developed a large direct-labour organization, and is now building about two-thirds of its houses in this way. Normally housing is nearly always a contract job under the supervision of the housing director or corresponding official or architect. A contract for a complete scheme is seldom let to one firm to be sub-let to other contractors.

RATES OF SUBSIDIES

It would probably serve no useful purpose to set forth, even briefly, the numerous Housing Acts of the British Government in the post-War period. It will be sufficient to give some details of the latest Act, the Housing (Financial Provisions) (Scotland) Act of 1938, which consolidates in a single subsidy the separate grants previously available for slum clearance and the relief of overcrowding. The new subsidies provided in that Act apply to houses completed by local authorities between January 1, 1939, and September 30, 1942, to relieve overcrowding or to replace unfit houses or houses closed or demolished in accordance with a redevelopment plan.

The new rates of Exchequer contributions are: £10 10s. per annum for 40 years for houses of three apartments (rooms) or less; £11 15s. per annum for 40 years for houses of four apartments; and £13 per annum for 40 years for houses of five apartments or more.

The new rates of local authority contributions are £4 10s. per annum for 40 years for houses of three apartments or less; £4 15s. per annum for 40 years for houses of four apartments; and £5 per annum for 40 years for houses of five apartments or more.

Additional Exchequer contributions in certain circumstances, to a maximum additional contribution of £15 per house, and additional local authority contributions equivalent to one-half of the Exchequer addition are payable under the Act towards the cost of building (a) houses in clearance areas,

(b) houses in redevelopment areas, and (c) tenements on expensive central sites in large burghs.

A clearance area is an area in which the greater number of the houses are unfit for human habitation or are, by reason of their bad arrangement or the narrowness or bad arrangement of the streets, injurious or dangerous to the health of the inhabitants, and where the most satisfactory method of dealing with these conditions is demolition of the buildings in the area.

A redevelopment area is an area in which the following conditions exist, namely:—

- (a) that the area contains fifty or more working-class houses;
- (b) that at least one-third of the working-class houses in the area fall within any one or more of the following categories, that is to say:—
 - (i) overcrowded and with less accommodation than three apartments;
 - (ii) unfit for human habitation, and not capable at a reasonable expense of being rendered so fit; and
 - (iii) so arranged as to be congested.
- (c) that the industrial and social conditions of their district are such that the area should be used to a substantial extent for housing the working classes; and
- (d) that it is expedient in connection with the provision of housing accommodation for the working classes that the area should be re-developed as a whole.

The Act also provides for an additional Exchequer contribution, without any specified limit but subject to the approval of the Department of Health and the Treasury, for houses built for the replacement of unfit houses and the relief of overcrowding in remote areas where building costs are high, owing to the distance from sources of supply, and where only low rents are obtainable. In this case no additional contributions are payable by the local authority.

Costs

The average cost of a three-apartment house, approved by the Department of Health, was £278 at the end of 1934, rising to a maximum of £427 in the middle of 1938 and falling to £393 at the end of the same year. The average cost of houses of all types erected by the Scottish local authorities, for these periods was respectively £282, £473, and £436. These prices include the cost of the house itself with normal underbuilding and the cost of fencing, house foot-paths, water and drain connections and gas and electric services. They do not include such items as roads, street sidewalks, land, and extra underbuilding.

The increase in costs represented in the above figures is explained by the improvement in the standard of house provided since 1935, and also by the exceptional wave of prosperity in the building trade following the general industrial revival which continued with increasing momentum until about the end of 1937. The demand for both building materials and labour resulted in higher prices. Any increase in building costs at once gives rise to important financial considerations. Large sums have to be borrowed each year by local authorities to defray the cost of their housing schemes, and as the rents obtainable are insufficient to meet the loan and other charges, there are heavy annual expenditures out of the local rates and by way of subsidies from the Exchequer to meet the deficits. Since the War the Exchequer alone has contributed, up to December 31, 1938, a total of £28,313,993 towards the cost of housing in Scotland.

SHORTAGE OF LABOUR

Undoubtedly the greatest difficulty met with by the building trade in recent years has been the shortage of skilled operatives, particularly bricklayers and plasterers. This shortage, which became apparent after the passing of the 1935 Act, when the extension of housing operations coincided with a boom in other classes of building work, became acute in 1937 and would have

been worse had there not been at the same time a shortage of building materials. There was apparently a general improvement in the situation in the second half of 1938, but there is still a shortage.

On the other hand, the total number of painters in Scotland is much greater in proportion to the numbers of bricklayers and plasterers, and in individual districts there is sometimes a surplus of one trade whereas in others there is a shortage. This ill-balanced distribution not only delays housing schemes but adds to the cost.

USE OF ALTERNATIVE MATERIALS

The shortage of skilled labour of certain kinds has forced local authorities to make use of materials which, although more expensive, can be handled by the operatives available. This is exemplified in the increased use of plaster boards, which are fixed by joiners, of whom there is no shortage, and in the increasing erection of timber houses because of the shortage of bricklayers.

The construction of timber houses in Scotland is now well beyond the experimental stage. Many schemes are in progress or in prospect, and at least one large scheme of 500 houses at Dundee, built of Canadian Western red cedar, is now nearing completion. This contract was recently extended to include the building of 540 additional houses of the same type of construction. While some local authorities are still prejudiced against wooden houses, the practical interest shown by many others has made the question of timber construction one of wide importance. To the Canadian lumber industry, particularly that of British Columbia, the importance of this type of building is obvious. Even if all houses in Scotland continued to be built of stone or brick, large quantities of Douglas fir would be needed (if prices and delivery were satisfactory to buyers) for carcassing and finishing, because a quarter of a million or more houses are required in the next ten or twelve years. But if a considerable part of each of these houses is to be of timber, as seems altogether probable, the quantity of timber needed will be much increased by the use of Western red cedar for walls, weather boarding and shingles.

The inducement to build timber houses, apart from the shortage of bricklayers, is the greater speed with which they can be built (it being universally admitted that housing construction has lagged behind hopes and requirements) and the advantage of their lighter construction, as compared with those built of other materials, in the many areas of Scotland where there is danger of soil subsidence because of the collapse of ancient coal workings. One case of this kind is at Cowdenbeath, where a scheme is now in operation comprising 72 all-wood houses with Douglas fir frames, Baltic whitewood sarking, Canadian cedar weatherboarding, and, in many cases, Canadian cedar shingles.

The shortage or uneven distribution of skilled labour is not the only obstacle to more rapid progress; there is the question of demarcation between the different trades. For instance, it was intended to roof the 500 timber houses at Dundee (referred to above) with cedar shingles, but no settlement could be reached as to whether the joiners or slaters should lay them. The only way was to use ordinary tiles, the laying of which is the slater's job.

IMPROVEMENT IN THE STANDARD SINCE 1935

In the interests of economy a great many state-aided houses built during the period 1921-34 had a commonplace and monotonous appearance which gave rise to much public criticism; they came to be known as the "box type." The Housing (Scotland) Act of 1935 urged that local authorities have regard for "artistic quality in the layout, planning and treatment of the houses to be provided," and the Department of Health in the same year drew the attention of the local authorities to the "importance of incorporating, consistently with reasonable economy, the highest possible standard of architectural quality in

future housing schemes," and advised them to employ qualified architects. This advice was welcomed and generally adopted, and with what the department considers very gratifying results. The increased costs were considered in most cases to be fully justified by the better results achieved, but in cases where the Act and the advice led to undue extravagance, action was taken by the department to control them.

There is no doubt that there has been a marked improvement generally in the appearance of the houses constructed under the various schemes as a result of the 1935 Act. There is now a larger number of cottages (two-storey houses), which are more expensive than the flatted and tenement types, and there is a greater proportion of houses of larger sizes. The proportion of houses of five apartments rose from 0.70 per cent in 1935 to 13 per cent in 1938, and those of four apartments from 21 per cent to 53 per cent, while the proportion of three-apartment houses fell from 78 to 34 per cent. In individual houses there has during the same period been a substantial increase in floor areas, the standard space for the living room having been increased from 170-180 square feet to 180 square feet, for the first bedroom from 120 to 150-160 square feet, for the second bedroom from 100 to 120-130, for the third bedroom from 80 to 110 square feet, and for the scullery from 60-70 to 70-80 square feet.

In a recent report the Architectural Advisory Committee criticised the low standard of the external treatment of Scottish state-aided houses, but expressed the view that in interior design and internal comfort these houses compared favourably with any working-class houses in Europe.

EFFECT OF HOUSING ON UNEMPLOYMENT

No other single factor, with the probable exception of the recently intensified rearmament program, has within the past twenty years contributed so much to improving unemployment conditions as housing schemes. Housebuilding requires so much and so great a variety of material that the effect of increased demand is felt throughout a wide range of industries, even beyond the obvious supply organizations, and the number of tradesmen employed on the sites is, of course, always large.

LONG TRADITION OF HIGH-CLASS CONSTRUCTION

The Scottish building industry has behind it a long tradition of high-class construction. For this reason costs are higher than in England. The traditional house in Scotland is built with stone walls; in England they are of brick. In Scotland the rooms are larger and the ceilings higher. Even where the usual conveniences, such as bathrooms, were largely lacking, the walls were of solid stone and the rest of the building of sound construction. The same standards, modified by necessity, hold good to-day. The tendency to adhere to tradition manifests itself also in the reluctance to accept the smaller rooms and lower ceilings that are now necessary to reduce costs, and in the ingrained reluctance of the building trade and the architects to use materials which involve a departure from ancient practice.

DRAWBACKS TO THE USE OF CANADIAN TIMBER

This reluctance to use new materials is apparent in the slower adoption in Scotland than in the South of Canadian Douglas fir for house carcassing, instead of Baltic whitewood which has been the accepted wood for generations. The disinclination to change over is also due, however, to the fact that whitewood is usually cheaper than redwood, which is traditionally used in England, and therefore Douglas fir has been less competitive in the North. It would be a mistake, however, to attribute the slower development of the use in Scotland of merchantable Douglas fir for carcassing entirely to conservatism or to the fact that there is less inducement to do so there than in England. It may be

accounted for also by the fact that Scottish timber merchants until comparatively recently refused to carry any or adequate stocks, because Baltic whitewood is the accepted timber of Scottish commerce, and stocks would always be required despite an increased demand for Douglas fir. To carry full stocks of both woods for much the same purposes would have further complicated and added to the expense of the timber merchant's business without any compensatory advantage, and the merchants were accordingly long apathetic to any increase in the use of the Canadian wood.

It is not to be assumed, however, that the use of Douglas fir for carcassing (it has for many years been used almost exclusively in the clear grades for finishings) has made little progress. Many local authorities adopted it years ago, among them the Glasgow Corporation, but supplies for a housing scheme had to be ordered through the local trade channels from British Columbia, with all the vexatious delays such a practice entails. Now, however, owing to increasing demand, and to a large extent as a result of the visit to British Columbia last year of a trade delegation from Britain as guests of the Provincial Government, adequate stocks are now carried at several key points, and shipping delays will be modified or eliminated, at least at those places. But the problem of obtaining delivery of British Columbia timber, without expensive rail haul from those key points, still confronts the authorities in several of the larger cities, and many of the smaller ones, whose total needs run into large figures. For instance, at one important port on the east coast the harbour is too shallow to permit the landing of the large vessels with the full cargoes customary in the British Columbia trade, whereas the small ships from the Baltic and Scandinavian countries can discharge without difficulty. It is suggested that this difficulty might be overcome if vessels from British Columbia which have recently begun to discharge large cargoes at Leith and Grangemouth could arrange to discharge the timber consigned to those ports and carry the remainder farther north to the city referred to.

In many other places of importance the local timber merchants do not carry stocks of carcassing timber from British Columbia because, according to their statements, the demand does not warrant it. This objection is being overcome as the demand from the carpenter-contractors increases to comply with the specifications in the housing schedules or the instructions of the architects. However, even if timber merchants in such places did stock Douglas fir, the price might be considerably greater than that of whitewood, and the latter will almost always be used if it is cheaper, because in most cases Douglas fir is only entered in the schedules as an alternative to whitewood, and price is the deciding factor in choosing between the two woods. British Columbia wood has recently been cheaper than whitewood at the ports where both the Canadian and Northern European timber is imported, but, since the Canadian is landed at only a few ports from ships carrying large cargoes while the whitewood is discharged at a great many ports from small ships, Canadian wood must in many cases bear an extra charge for transportation to the point of consumption, a factor which, in the judgment of the local authorities, might render its use prohibitive.

While it may be difficult to improve this supply position and at the same time keep prices at the points of consumption down to a competitive level with whitewood, it is suggested that some effort be made by the industry to overcome the sharp increases and decreases in seaboard prices which contrast so with the less variable fluctuations in Scandinavian quotations.

Tradition also plays its part in the reluctance or refusal of many of those concerned to accept quarter scant sizes—i.e., planed all round to finish $\frac{1}{4}$ inch less for each dimension than nominal size. The tendency in Scotland is for architects to insist that all timbers "hold their size." Perhaps "scant" is an unfortunate term, as it implies a shortage. There is a sort of sub-conscious dislike of specifying a 10-inch by 2-inch size and receiving one $9\frac{3}{4}$ inches by $1\frac{3}{4}$ inch.

FEEDSTUFFS IN THE UNITED KINGDOM

A SURVEY BY CANADIAN TRADE COMMISSIONERS IN THE UNITED KINGDOM

IV

Organization of Trade

REPRESENTATION

Practically all importation of feedstuffs is arranged through the medium of agents in the United Kingdom. Some agents are in a large way of business and may pay outright for shipments, thus becoming importers, but they are usually buying for re-sale and not for direct use.

It is well, also, for the Canadian exporter to bear in mind the importance of each centre and, in particular, to consider fully the facilities available through the various importing and marketing centres such as London, Liverpool, Bristol, and Glasgow. In some cases it will be found useful to have one agent, let us say, in Liverpool or London, while in other cases it will be necessary to have one agent for England and Wales and another for Scotland, or one for the North of England, one for the South or West and still another for Scotland. In all cases of division of territory it is essential to limit the areas definitely and to insist on sub-agents selling only in their own field.

DISTRIBUTION AND THE CORN EXCHANGE

The question of representation need not be enlarged by discussing methods of distribution, for these have little direct interest in the completion of Canadian export business. Imported goods follow the usual channels and are handled in turn by agents or importers and by wholesale and retail distributors. The large manufacturers of compound feeds may buy direct from agents in the United Kingdom or from importers. On the other hand, a number of products, such as hay, are imported direct by feed merchants.

Practically all the agents, importers and large merchants or other buyers meet two or three times a week in the various corn (i.e. grain) exchanges throughout the country. All corn exchanges have had much the same general growth, but it may be of interest and utility to give a short résumé of the development of the Corn Exchange in London. There are actually two exchanges in London, the Baltic and Mark Lane. The former deals largely with bulk quantities, that is, shiploads, of grain and some feedstuffs, while Mark Lane handles mainly parcel shipments. For this reason the Canadian exporter of feedstuffs will find his interest centre on Mark Lane except when handling whole cargoes. A number of United Kingdom dealers are members of both the Baltic and the Mark Lane exchanges.

In London the Corn Exchange, as now known, was first mooted in 1747. For many years before that date farmers and dealers met at Aldgate, and other dealers at Bear Quay in Thames Street where most of the grain vessels discharged. As far back as 1285 "a lane beyond Blanch Appleton was granted to be enclosed." Blanch Appleton was the name of the district around or near Tower Hill and the lane thus enclosed called Mart Lane and now Mark Lane.

Gradually, during the Stuart and early Hanoverian periods, a number of people became established as factors or agents for different farmers. The factors set up stands and their growing number soon made a definite exchange expedient. To accommodate them the first corn exchange was completed in Mark Lane in 1749. By 1827 the old exchange was partly rebuilt and in the same year another group of traders built a "new" exchange adjoining the old one. The two remained separate entities under separate charter until the

coming of automobile transportation revolutionized the method of trading and the two exchanges were finally amalgamated in 1929. There is a membership of about 3,000 with some 250 firms having stands on the floor.

On the one hand, the Exchange is allied with ship owners, ship brokers, grain brokers, and importers as well as insurance agents, lightermen, wharfingers (wharf owners), and sack and bag merchants; on the other hand, it has its associated trades engaged in the manufacture of raw material into food for men and beast. The Exchange does not regulate contracts. These are usually on one of the forms drawn up by the London Corn Trade Association, the London Cattle Food Trade Association, and the kindred organizations. The brokers in the corn trade sell to millers, merchants or standholders for shippers on the neighbouring and complementary exchange, the Baltic. The standholders buy c.i.f. and sell to their customers in the country or elsewhere on ex-ship or delivered terms. No auction sales are held in connection with the grain trade.

TRADE ASSOCIATIONS

Generally speaking, the corn exchanges are distributive organizations and the trade associations protective and co-operative organizations. There are a number of corn trade associations at London, Liverpool, Hull, and other points. Each deals with local matters and all, in matters of common or national concern, work together under the National Federation of Corn Trade Associations. The corn trade associations are mainly interested in bulk importations of grain and grain products associated with feedstuffs.

A typical example of the latter is the London Corn Trade Association which was founded in 1878 and incorporated eight years later. The primary objects of its formation were to formulate standard forms of contract, establish "fair average quality" standard, regulate arbitration practices and procedure, and to perform various services rendered necessary under the terms of its contract. The Association, whose membership is international, issues some 70 different forms of contract and various rules and regulations relating to natural weight and analysis allowances, insurance clauses and other matters which form the basis of world trading in wheat and feeding grains and their products, pulse and seeds. Close contact is maintained with government departments and other appropriate authorities and grain associations throughout the world.

The cattle food trade associations are, as the name indicates, primarily interested in feedstuffs and, as protective organizations, their work includes the formulation of contracts, supervision of arbitration and similar phases of commercial activity. Like the corn trade associations, they do not engage in trade as organizations.

The National Cattle Food Trade Association is a federation of the cattle food trade associations for dealing with matters affecting the whole industry. This association does not issue contracts and has no official analyst. The executive committee is composed of four representatives of each of the four regional associations and also two representatives of the trade in Glasgow (and one from Dublin). The affiliated organizations are: The London Cattle Food Trade Association (Inc.); The Bristol, South Wales and West of England Cattle Food Trade Association; The Hull and North East of England Cattle Food Trade Association, and the National Association of Provender Millers. Another organization which is not affiliated but which collaborates on matters of common interest is The Seed, Oil, Cake and Produce Association at Liverpool.

As an indication of the general character of these regional organizations it may be noted that the London Cattle Food Trade Association was founded in 1906, by a few of the prominent standholders dealing in imported manu-

factured feeding stuffs on the Corn Exchange in London, for the better control of business and for the issue of contracts governing this branch of trade. The Association has progressed steadily and is now widely recognized in the trade, both by membership and use of its contracts. It is representative of exporters, importers and consumers, and has among its members a number of foreign feed merchants.

There are other organizations with varying functions affecting the feed trade but this brief review will indicate the general character of this phase of the business in feedstuffs.

SALES CONTRACTS

Exporters, before entering trading, must arrange with their correspondents the terms of the contract which will govern sales. London importers of most feedstuffs other than hay are accustomed to trade under the standard contracts of the London Cattle Food Trade Association (Inc.) or contracts similar to them; or, in the case of grain, under the standard contracts of the London Corn Trade Association Ltd. Generally speaking, the contract forms used by such trade organizations in other parts of the United Kingdom are the same or similar. In some cases, such as the c.i.f. contract for cottonseed cake meal, contract form No. 26C of The Seed, Oil, Cake and General Produce Association at Liverpool is more commonly used because imports of this material are heaviest at Liverpool. Whatever the exact nature of the contract, its terms should be studied diligently and on no account taken for granted.

The following excerpts from, and observations on, some of the contracts of the London Cattle Food Trade Association (Inc.) will be helpful as indicating the general nature of these forms; but the comments are intended to supplement and not supplant that individual examination of each contract entered upon which is so essential.

POINTS COMMON TO ALL CONTRACTS

Clearance (Appropriation).—It is essential that the name of the vessel, and the quantity shipped, be declared to the buyer immediately the information is available. Time limits are usually set, but the exporter should obviate any possibility of delay by cabling the information at once. Failure to comply with the contract terms of clearance means possible rejection of the tender, or arbitration in the event of dispute. In any case extra expenses are generally incurred.

Certificates of Origin.—"Sellers shall ship in such a manner as to preserve the entitlement of the goods to preference and shall furnish at the time of entry a certificate of origin and/or necessary documents . . . , otherwise they shall be responsible for any duty incurred."

Quality and Samples.—It is essential that samples, on which sales are based, be as accurately and truly representative of the goods as possible. Under no circumstances should samples be better than the goods which are to follow, for protest and possible arbitration will as surely follow. The samples should be sealed by the seller or his agent in order that one at least may be set aside, still sealed, for comparison with the goods when they arrive. In addition, it is important to note that sales should always be made "about equal to" sample, and it is often prudent to specify that the word "about" is equal to, say, 2 per cent of the contract price in goods valued at about £5 per ton c.i.f. The buyers take samples immediately on arrival and base their acceptance, non-acceptance, or complaint on such samples in comparison with the original samples.

Analysis.—"Methods of analysis to be as prescribed in the Fertilizers and Feeding Stuffs Regulations for the time being in force." These methods are given in full under "Methods of Analysis" later in this report. The

official analysts of the association are Messrs. John Hughes, 79, Mark Lane, London, E.C.3, but members are free to place their work in the hands of other well-known analysts.

Payment.—In all the c.i.f. contracts, payment is made on arrival of steamer at destination against shipping documents, either net cash or 97 to 98 per cent of invoice amount.

Insurance.—Except where noted below all insurance in c.i.f. contracts is on F.P.A. terms (warranted free from particular average) with approved companies domiciled and paying losses in England. In all cases insurance is on Lloyd's conditions warehouse to warehouse including war risk, but all war risk in excess of $\frac{1}{2}$ to 1 per cent is payable by buyers.

Domicile.—"Buyers and sellers agree that, for the purpose of proceedings, either legal or by arbitration, the contract shall be deemed to have been made in England and to be performed there, any correspondence notwithstanding."

Arbitration.—"Any dispute on this contract to be settled by arbitration in London in accordance with the rules and regulations of the London Cattle Food Trade Association, which are endorsed hereon and are to be deemed to form part of this contract."

The process of arbitration is given fully on the reverse of the contract forms of the trade associations but for general information the procedure may be summarized thus:—

The buyer appoints his arbitrator and gives notice in writing of such appointment to the seller within a set time limit. In due course the seller appoints his arbitrator who arranges to discuss the complaint with the buyer's appointee. If the two arbitrators cannot agree an impartial umpire is appointed by them. The decision of such an umpire is usually taken as final; in fact, acceptance of the standard contract form implies that, subject only to the right of appeal to the appeal committee of the Association, any word by arbitrators or umpire shall be final and binding.

It may be noted that, even though some importers may as a matter of routine enter protest against shipments they have not actually examined, arbitration is intended as the last resort for the settlement of disputes incapable of other solution. The use of representative samples, punctual and complete shipment, prompt notification of clearance, and, in general, proper handling of the business, permits no loophole for complaint and builds up the confidence of the buyer.

OTHER CLAUSES IN CONTRACTS

The following contracts are usually employed by members of the association in importing from North America. The more important clauses are those already discussed, but additional clauses of importance are noted.

No. 1. General Contract.—This contract is usually employed for alfalfa meal, etc.

No. 3. Contract for Cotton-seed Cake or Cake Meal.—Provides specific penalties for deficiencies in content of oil and albuminoids (protein).

No. 3a. Contract for North American Cotton-seed Cake and/or Meal from Atlantic and/or Gulf Ports (see No. 3 above).—Includes definitions of quality (see under Cotton-seed Cake and Meal); additional clearance (appropriation) details.

No. 6. Contract for Imported Feeding Cakes and Meals (c.i.f. terms).—Limitation of marks and steamers used according to quantity shipped; specific penalties for deficiency of oil and albuminoids (protein), excess of sand, etc.,

and presence of castor seed or husk; sellers to pay agreed commission ship lost or not, contract cancelled or not.

No. 7. Contract for North American Linseed Cake or Cake Meal (c.i.f. terms).—Outturn guaranteed within 1 per cent of shipping weight (see accidents excepted); cake—tare allowance 2 pounds per bag; meal—in bags of 112 pound gross, no tare allowance; additional clearance (appropriation) details; sellers to pay agreed commission ship lost or not, contract cancelled or not.

No. 9. Contract for Imported Feeding Meat Meal and Meat and Bone Meal (c.i.f. terms).—Specific penalties for deficiency of protein and phosphoric acid and for excess of fat; gross shipped weight or landed weights at buyer's option; comprehensive insurance on W.P.A. (with particular average) terms; commission payable in any event.

No. 14. Contract for Imported Linseed Cakes and Linseed Cake Meal (c.i.f. Terms), Oil Basis.—Limitation of marks and steamers used according to quantity shipped; specific penalties for deficiency of oil, excess of sand or silica, and presence of castor seed or husk; sellers to pay agreed commission ship lost or not, contract cancelled or not.

No. 19. General Contract (f.o.b. terms).—Provision for period of delivery; bill of lading weights to be final; ice clause.

A contract for Canadian feeding fish meals from Pacific Coast ports has been the subject of long negotiations and is now about to be issued. It is on c.i.f. terms with guarantees for content of protein, oil and salt penalties for excess or deficiency, with a right of rejection in case of heavy excess of oil. Analysis is to be made in Vancouver from samples drawn at time of shipment. Quality may be tested from samples drawn on arrival. Gross shipped weights are to be final, insurance on W.P.A. terms, and commission payable in any event.

METHODS OF BUSINESS

The minutiae of business routine are ordinarily arranged between the parties to a contract. The more important details concerning the sales contract have already been discussed and points applicable only to one subject taken up or enlarged upon in the various preceding sections. It is, however, not inappropriate to stress at this point some general features which, while truisms, are also axioms that have a peculiar strength of their own in the United Kingdom market.

The primary object is that of supplying what the market requires. In many cases the Canadian product possesses certain fundamental and natural characteristics which can neither be changed nor, in some essentials, readily adapted to the idiosyncrasies of the United Kingdom buyer. The mere fact that a buyer has always received a meal of a certain colour is no reason why he always should receive it, but, if he demands that colour and can obtain it competitively, he cannot be expected to make a change which would be pointless to him.

On the other hand, it remains true that some Canadian producers are prone to expect that, because their products have been found good in North America, they must necessarily be good in the United Kingdom. Changes and adaptations will be asked and, where reasonably possible, should be granted, whether in the commodity, the method of shipment or documentation, or the process of analysis. Without such co-operation marketing possibilities in the United Kingdom will be obviously reduced.

At times there may be a tendency on the part of the exporter to feel that conditions are not such as to warrant his continuance of business in the United Kingdom. Prices and conditions elsewhere may be more attractive, and in general there may be a closer relationship between effort and profit. Similarly,

importers may find that they must postpone further purchases for a time. Each case stands on a perfectly legitimate foundation, but in each case the person concerned must bear in mind that the longer the lapse the more opportunity there is for other competitors to build up what may be more lucrative connections.

Canadian firms have gained entry into the United Kingdom market for a number of their products at a time when, for one reason or another, other sources of supply were closed. On the other hand, outlets for products may be lost by unnecessarily suspending operations and thereby exhausting the patience of customers, and lost markets are difficult to recover. It is usually better to retain them, even though precariously, rather than give them up entirely with the vague thought of returning at some future time.

Finally, it is necessary to remember that complete confidence between exporter and importer is more valuable than any contract. Contracts are intended as statements of fact to clarify all necessary points. Complete confidence built up on fair trading, and observation of common-sense practices reduce the contract to a mere formality and not infrequently offset factors which might otherwise bring decreased business.

Legislative Regulation

TARIFF AND IMPERIAL PREFERENCE

Feedstuffs imported into the United Kingdom are in great part subject to import duty when they are of foreign origin, but certain lines, such as hay and herring meal, are on the free list. The products of the Dominion are imported free of duty and are exempt from import duties chargeable on foreign merchandise, provided that the United Kingdom customs authorities are satisfied that the conditions attached to the concession of imperial preference have been fulfilled.

The fundamental requirement to be observed by Canadian firms shipping feedstuffs to the United Kingdom is the inclusion in the shipping documents of the proper certificate of origin. If the feedstuffs shipped consist of the natural product, e.g., barley, oats, etc., in the grain, the proper certificate of origin is 119(Sale). If the products have been milled, reduced, or otherwise processed, e.g., wheat bran, fish meal, meat or blood meals, etc., so as to change the identity of the original natural product, certificate of origin 120(Sale) is appropriate. (Detailed information on certificates of origin will be found in "Trading with the United Kingdom," available on application to the Department of Trade and Commerce).

In order to qualify for preference, not less than 25 per cent of the factory cost of production of the feedstuffs must be attributable to Empire labour and/or materials and "twenty-five" is the percentage which must be inserted *in words* in paragraph (3) of certificate of origin 120 (Sale). It is desirable in such cases that the certificate of origin should be endorsed with a signed declaration to the effect that the feedstuffs in question have been manufactured entirely from Canadian-grown wheat, oats, alfalfa, etc., or cattle, etc., slaughtered in Canadian packing houses, or fish taken only in Canadian waters, or whatever exclusively Canadian (or Empire) natural products form the basis of the article. A declaration of this kind removes any doubt in the minds of customs officers in the United Kingdom that the feedstuffs are entitled to preferential treatment.

As feedstuffs are frequently exported by merchant firms, care must be taken by such exporters that the main part of certificate of origin 120(Sale) is completed by the actual miller, reducer, etc., while the merchant exporter

completes the supplementary certificate. If the merchant exporter objects to disclosing to his customer the name of the manufacturer, he can arrange to submit the certificate of origin direct to the collector of customs at the port of entry in the United Kingdom. Where the manufacturer is also the exporter, it is necessary to complete only the main part of the certificate of origin.

Direct consignment from a port of the British Empire to the United Kingdom is another condition of preference.

FEEDING STUFFS ACT, 1926

Exporters selling feedstuffs to the United Kingdom must naturally supply material acceptable to the law of the country. While this is not their responsibility as much as that of the importer, it occurs frequently that the latter's specifications are based in whole or in part on government regulations. The Fertilizers and Feeding Stuffs Act, 1926 (United Kingdom), and Statutory Rules and Orders, 1932, No. 658, are the pertinent enactments which indicate the conditions under which domestic sales take place, definitions of most feedstuffs, limits of variation, etc. Quite apart from the nature of his contract with the exporter, the importer is obviously anxious that the goods on arrival shall be legally saleable within the country.

As a matter of interest, those definitions given in the Rules and Orders have been inserted in the appropriate sections. There is, however, no purpose to be served in most cases by reproducing the limits of variation as these do not directly affect c.i.f. sales. The contract usually indicates the tolerance permitted.

Official Methods of Analysis

Exporters should ascertain from their buyers what analyses are required, and in particular should be satisfied that the method of analysis followed in each case by their own analysts is identical in every detail with that used in the United Kingdom. It is not uncommon for different methods of analysis to give different results, thereby suggesting irregularity. For this reason the methods of analysis of a feeding stuff for the purposes of the Fertilizers and Feeding Stuffs Act (United Kingdom) are taken in full as follows from the Statutory Rules and Orders:—

METHODS OF ANALYSIS OF FEEDING STUFFS

12. The methods of analysis of a feeding stuff for the purposes of the Act shall be as follows:—

(i) Preparation of the sample.

(a) If the sample is in a fine condition and passes through a sieve having apertures about one millimetre square, it shall be thoroughly mixed and a portion of less than 100 grams in weight shall be placed in a stoppered bottle. From this portion the quantities for analysis shall be taken.

(b) If the sample does not wholly pass through a sieve having apertures about one millimetre square and wholly passes through a sieve having apertures from two to three millimetres square, it shall be thoroughly mixed and a portion for the determination of the moisture shall be at once taken.

(c) If the sample is in a coarse condition, as, for example, pieces of broken cake, it shall be carefully pulverized until the whole passes through a sieve having apertures from two to three millimetres square. It shall then be thoroughly mixed and a portion for the determination of the moisture shall be at once taken.

(d) From the mixed sample as under (b) above, or from the coarsely crushed sample as prepared under (c) above, a portion not less than 100 grams in weight shall be taken and further powdered and passed through a sieve having apertures about one millimetre square. The portion of the sample so prepared shall be placed in a stoppered bottle and from it the quantities for analysis shall be weighed.

(c) If the original sample is appreciably moist, or if for any reason the operations of pulverisation and mixing are likely to result in loss or gain of moisture, the moisture shall be determined in this prepared portion, as well as in the sample prepared as in paragraph (i) (b) or (c) in order that the results of the analysis may be corrected to correspond with the sample in its original condition as regards moisture.

(f) Materials which cannot be conveniently pulverized or passed through a sieve shall be thoroughly mixed by the most suitable means.

(ii) Determination of moisture (loss on drying).—A weighed quantity of the sample shall be dried at 100° C.

(iii) Determination of oil.

(a) A weighed quantity of the sample shall be placed in an extraction thimble, which shall then be placed in an extraction apparatus and extracted with petroleum spirit b.pt. 40-60° C. At the end of three to four hours the thimble shall be removed from the apparatus, dried and its contents finely ground, preferably with sand, in a small mortar previously rinsed with petroleum spirit. The substance shall then be returned to the thimble, the mortar being washed out with petroleum spirit, and the extraction continued for another hour. The extract should be free from suspended matter. After evaporation of the solvent, the oil shall be dried at 100° C. and weighed.

(b) In the case of samples containing saccharine matter, the weighed portion in the thimble shall be washed with water and then dried, previous to the extraction.

(iv) Determination of albuminoids (protein).—The percentage of albuminoids (protein) shall be ascertained by multiplying the percentage of nitrogen, other than nitrogen present as ammoniacal or nitric nitrogen, by 6.25. The presence of nitrogen in these latter forms shall be tested for and the quantity so present, if any, shall be determined and deducted from the total nitrogen. (See methods for determination of ammoniacal nitrogen and nitric nitrogen in presence of organic matter under Methods of Analysis of Fertilizers, paragraph (iii) appended hereto.)

The determination of total nitrogen in the absence of nitrates shall be as follows:—

A weighed portion of the sample shall be transferred to a Kjeldahl digestion flask, 25 millilitres of concentrated sulphuric acid (or more if necessary) shall be added and the flask gently heated until frothing ceases. Ten grams of potassium or sodium sulphate (anhydrous) shall then be added and the flask further heated until the colour of the clear liquid ceases to diminish. The heating shall be continued for an hour thereafter to ensure complete oxidation of the organic matter. The operation may be accelerated by the addition of a small crystal of copper sulphate or a globule of mercury to the liquid in the digestion flask.

The quantity of ammonia present in the liquid shall be determined by distillation into standard acid after liberation with alkali and, where mercury has been used, with the addition also of sodium or potassium sulphide solution.

The materials used shall be examined as to their freedom from nitrogen by means of a control experiment, carried out under similar conditions with the same quantities of the re-agents which have been employed in the actual analysis, one gram of pure sugar being used in place of the weighed portion of the sample. The quantity of standard acid found to have been neutralized in this control experiment shall be deducted from the total quantity of acid neutralized in the distillation of the sample.

If nitrates are present, the digestion and subsequent distillation must be carried out as in Methods of Analysis of Fertilizers, paragraph (iii) (b) appended hereto.

(v) Determination of phosphoric acid.—A weighed portion of the sample shall be heated with concentrated sulphuric acid until all organic matter is destroyed and the phosphoric acid is completely in solution. After dilution, the solution shall be filtered, the insoluble matter thoroughly washed and the filtrate made up to a definite bulk. The phosphoric acid shall be determined by the method described in Methods of Analysis of Fertilizers, paragraph (iv) (e) appended hereto, in an aliquot part of the solution, which shall first be nearly neutralized and then acidified with nitric acid.

(vi) Determination of fibre.—Two or three grams, accurately weighed, shall be extracted with petroleum spirit b.pt. 40-60° C. in an extraction apparatus, or at least three times by stirring, settling and decantation, and the dry residue transferred to a conical 1,000 millilitre flask. The material must not be further ground during extraction. A volume of 200 millilitres of a solution containing 1.25 grams of sulphuric acid (H_2SO_4) per 100 millilitres measured at ordinary temperature and brought to boiling point, shall be added to the flask and heated. The contents of the flask must come to boiling within 1 minute and the boiling throughout must be gentle and continuous for exactly 30 minutes, the original volume being maintained. The flask shall be rotated every few minutes in order

to mix the contents and remove particles from the sides. At the end of 30 minutes the flask shall be removed and the contents poured at once into the shallow layer of hot water remaining in a funnel fitted with a pump-plate or alternatively into the similar layer remaining in a Buchner funnel. The funnel shall be prepared by cutting a piece of cotton cloth or filter paper to cover the holes, so as to serve as a support for a disc or ordinary filter paper; boiling water shall be poured into the funnel and allowed to remain until the funnel is hot, whereupon suction is applied. The experiment shall be discarded if the time of filtration of the bulk of the 200 millilitres exceeds 10 minutes. The residue shall be washed with boiling water until the washings are free from acid. The residue shall then be washed from the filter paper back into the flask with a volume of 200 millilitres of a solution of sodium hydroxide, containing 1.25 grams of sodium hydroxide (NaOH) per 100 millilitres free or nearly free from sodium carbonate, measured at ordinary temperature, and brought to boiling point. The contents of the flask shall be boiled for exactly 30 minutes, the precautions given for the treatment with acid being observed. At the end of 30 minutes the flask shall be removed and its contents immediately filtered through an ordinary filter paper. The residue collected on the filter paper shall be washed with boiling water, then with a solution of 1 per cent hydrochloric acid and again with boiling water until free from acid. The residue shall then be washed twice with 95 per cent alcohol, and three times with ether. The residue shall then be transferred to a dried weighed ashless filter paper, dried at about 100° C. in an oven and weighed in its weighing bottle until constant in weight. The ash of the paper and contents shall be determined by incineration at a dull red heat. The weight of ash shall be subtracted from the increase of weight found on the paper and the difference shall be reported as fibre.

(vii) Determination of sugar.

(a) When the substance is in solid form.—About 10 grams of the sample or a larger quantity if the percentage of sugar is low, accurately weighed, shall be ground up with water in a mortar and transferred to a 250 millilitre flask, using in all about 200 millilitres of cold water. The flask shall be shaken at intervals during 30 minutes. If it is necessary to use a clearing agent, basic lead acetate solution followed by sodium sulphate, or alumina cream free from ammonia shall be employed. The liquid in the flask shall then be made up to 250 millilitres and filtered. The sugar shall be determined in 50 millilitres of the filtrate by the method prescribed in paragraph (vii) (c).

(b) When the substance is in liquid form.—The prepared portion of the sample shall be thoroughly mixed immediately before weighing out the quantity for sugar determination. About 10 grams of the sample, accurately weighed, shall be washed into a 250 millilitre flask with about 200 millilitres of water and the solution cleared, if necessary, with basic lead acetate solution followed by sodium sulphate, or alumina cream free from ammonia. The liquid in the flask shall then be made up to 250 millilitres and filtered. The sugar shall be determined in 25 millilitres of the filtrate by the method prescribed in paragraph (vii) (c).

(c) The aliquot part of the filtrate obtained as described in paragraph (vii) (a) or (b) shall be measured into a 100 millilitre flask and the sugar inverted as follows:—

5 millilitres of hydrochloric acid of 38.3 per cent strength shall be added and the flask placed in a water bath maintained at 70° C. The solution in the flask should reach a temperature of 67° to 69° C. in 2½ to 3 minutes. It is maintained at 69° C. for 7 to 7½ minutes, the total period of heating being 10 minutes. It is then cooled at once, neutralized, bulked to 100 millilitres and filtered.

The total reducing sugar in the filtrate is determined either by gravimetric or volumetric process, the total copper-reducing power being calculated in terms of cane sugar ($\text{D}_{12}\text{H}_{22}\text{O}_{11}$).

(viii) Determination of salt.—5 grams of the sample shall be mixed with pure lime and heated until the organic matter is completely charred. The residue shall be extracted with water, in volume made up to 250 millilitres and the solution filtered. The chlorine shall be determined in an aliquot portion of the filtrate and the result expressed in terms of NaCl.

(ix) Determination of sand, siliceous matter or other insoluble mineral matter:—

(a) A weighed quantity of the sample, from 2 to 5 grams, shall be incinerated and the weight of the ash shall be taken.

(b) The ash shall be moistened with hydrochloric acid and evaporated to dryness and shall then be repeatedly extracted with hot dilute hydrochloric acid (one part of concentrated hydrochloric acid to four parts of water). The solution shall be filtered and the insoluble matter washed, incinerated and weighed. The quantity obtained shall be taken as sand and siliceous matter.

(c) Where the quantity of sand and silica-free ash is so high as to raise a presumption that mineral material has been added, the nature and quantity of such added substances shall, if possible, be determined.

ANALYSIS OF FERTILIZERS

The following extracts from Methods of Analysis of Fertilizers are appended, being applicable to analysis of feeding stuffs:—

METHODS OF ANALYSIS OF FERTILIZERS

(iii) Determination of nitrogen.—The presence or absence of nitrates shall first be ascertained:—

(a) Nitrogen (organic and ammoniacal) in the absence of nitrates. (A) A weighed portion of the sample shall be transferred to a Kjeldahl digestion flask, 25 millilitres of concentrated sulphuric acid (or more if necessary) shall be added and the flask gently heated until frothing ceases. 10 grams of potassium or sodium sulphate (anhydrous) shall then be added and the flask further heated until the colour of the clear liquid ceases to diminish. The digestion shall be continued for an hour thereafter to ensure complete oxidation of the organic matter. The operation may be accelerated by the addition of a small crystal of copper sulphate or a globule of mercury to the liquid in the digestion flask.

(B) The quantity of ammonia present in the liquid shall be determined by distillation into standard acid after liberation with alkali and, where mercury has been used, with the addition also of sodium or potassium sulphide solution.

(b) Nitrogen (total, i.e., organic, ammoniacal and nitric) when nitrates are present.

(A) A weighed portion of the sample shall be transferred to a Kjeldahl digestion flask; 30 millilitres of concentrated sulphuric acid, containing one gram of salicylic acid or one gram of phenol, shall be added and the flask shall be shaken so as to mix its contents without delay. The shaking shall be continued at intervals during ten minutes, the flask being kept cool, and then 10 grams of potassium or sodium sulphate (anhydrous) shall be added, together with either 5 grams of crystalline sodium thiosulphate or 2 grams of zinc dust. The flask shall be heated until the colour of the clear liquid ceases to diminish and for an hour thereafter. A further quantity of concentrated sulphuric acid may be added if necessary. Copper sulphate or mercury may be used as described in paragraph (iii) (a) (A), (see above).

(b) The quantity of ammonia shall be determined as prescribed in paragraph (iii) (a) (B), (see above).

(c) Nitrogen in form of ammonium salts.

(NOTE.—In the case of compound fertilizers containing calcium carbonate with small quantities of ammonium salts, the portion taken for analysis must be dissolved in hydrochloric acid and the solution used for distillation with alkali.)

(1) In absence of organic matter.—A weighed portion of the sample shall be dissolved in water and made up to a definite bulk. An aliquot part of the solution shall be transferred to a distillation flask and the quantity of ammonia shall be determined as above prescribed in paragraph (iii) (a) (B).

(2) In presence of organic matter.—A weighed portion of the sample shall be transferred to a distillation flask with about 200 millilitres of water and 5 grams of magnesium oxide, free from carbonates, and the quantity of ammonia determined by distillation into standard acid.

(d) Nitrogen in nitrates.

(1) In absence of organic matter.

(A) A weighed portion of the sample shall be dissolved in water and made up to a definite bulk. An aliquot part of the solution shall be transferred to a flask and a quantity of finely powdered Devarda metal added. The quantity of Devarda metal shall be not less than six times the weight of the sample present in the aliquot part taken. An excess of concentrated alkali shall then be added and the flask at once connected with a distillation apparatus. After standing for 30 minutes to allow the reaction to proceed, heating gently if necessary, the ammonia shall be distilled over into standard acid.

(B) Alternative method.—10 grams of the sample shall be dissolved in water and the solution made up to 500 millilitres. 50 millilitres of the solution shall be placed in a half-litre Erlenmeyer flask and 10 grams of reduced iron and 20 millilitres of sulphuric acid of 1.35 specific gravity shall be added. The flask shall be closed with a rubber stopper provided with a thistle tube, the head of which shall be half filled with glass beads, and allowed to stand until effervescence ceases. The liquid shall then be boiled for five minutes, the flask removed from the flame and any liquid that may have accumulated among the beads rinsed back with water into the flask. The solution shall be boiled for three minutes more and the beads again washed with a little water. The quantity of ammonia shall then be determined as described in paragraph (iii) (a) (B).

(2) In presence of organic matter.

One gram of the sample shall be placed in a half-litre Erlenmeyer flask with 50 millilitres of water. 10 grams of reduced iron and 20 millilitres of sulphuric acid of 1.35 specific gravity shall be added and the procedure prescribed in paragraph (iii) (d) (1) (B) above shall be followed, except that the quantity of ammonia contained in the liquid, after the treatment with reduced iron, shall be determined by distillation after addition of magnesium oxide as in paragraph (iii) (c) (2). In cases in which the proportion of nitrates is small, a larger quantity of the sample shall be taken.

(e) Control experiment in determination of nitrogen.—The materials used in any of the methods described in paragraph (iii) shall be examined as to their freedom from nitrogen by means of a control experiment carried out under similar conditions with the same quantities of the re-agents which have been employed in the actual analysis in the case of (a) one gram of pure sugar being used in place of the weighed portion of the sample. The quantity of standard acid found to have been neutralized in the control experiments shall be deducted from the total quantity of acid neutralized in the distillation of the sample.

(iv) Determination of phosphoric acid.

(e) Molybdate method.—To the solution, which should contain not more than 0.4 gram of phosphoric acid (P_2O_5), and preferably from 0.1 to 0.3 gram, obtained as described in paragraphs (iv) (a) (A) or (c) or (d),* 100 to 150 millilitres of molybdic acid solution prepared as described below,* or an excess of such solution, i.e., more than is sufficient to precipitate all the phosphoric acid present in the solution, shall be added and the vessel containing the solution shall be placed in a water bath maintained at 70°C. for 15 minutes or until the solution has reached 70°C. It shall then be taken out of the bath and allowed to cool and the solution shall be filtered, the phospho-molybdate precipitate being washed several times by decantation and finally on the paper with one per cent nitric acid solution. The filtrate and washings shall be mixed with more molybdic acid solution and allowed to stand for some hours in a warm place in order to ascertain that the whole of the phosphoric acid has been precipitated. The phospho-molybdate precipitate shall be dissolved in cold 2 per cent ammonia solution, prepared as described below,* and about 100 millilitres of the ammonia solution shall be used for the solution and washings. The solution shall be raised to the boiling point, the beaker removed from the burner and 15 to 20 millilitres of magnesia mixture, prepared as described below* or an excess of such mixture, i.e., more than sufficient to precipitate all the phosphoric acid present, shall then be added drop by drop, with constant stirring. The stirring shall be continued at intervals so long as the liquid remains very warm. After standing at least 4 hours with occasional stirring, the precipitate shall be filtered off, washed with 2 per cent ammonia solution until free from chloride, dried and finally weighed as magnesium pyrophosphate. The filtrate and washings should not exceed 200 millilitres, and are to be tested by the addition of more magnesia mixture.

* Not included here.

(NOTE.—This is the final instalment of the report on Feedstuffs in the United Kingdom. The full report will be republished in pamphlet form. Copies of the pamphlet, which will be available early in August, will be obtainable by interested exporters and others on application to the Department of Trade and Commerce, Ottawa.

TRADE COMMISSIONERS ON TOUR

Mr. P. V. McLane, Canadian Trade Commissioner at Kobe, Japan, and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories.

Mr. Strong's itinerary is as follows:—

Kingston	Aug. 7	Charlottetown	Sept. 1
Montreal	Aug. 8 to 18	Quebec	Sept. 3
Fredericton and other points in N. B.	Aug. 21 to 23	Ottawa	Sept. 5
Halifax	Aug. 30		

Mr. McLane will be in Vancouver from September 5 to 15.

Firms wishing to be brought in touch with the Trade Commissioners should communicate: for Vancouver, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JUNE, 1938 AND 1939)

Note:—The descriptions of commodities used in the following table are taken from Canadian statistical classification of exports and in many instances are not identical with the terms of the concessions secured in the trade agreement, which are based on United States tariff classification. In cases where the two classifications vary materially, the tariff rates quoted apply to the commodities for which statistics are given only as and to the extent indicated. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities				Value				United States Tariff		
	Month of June		Six months ended June		Month of June		Six months ended June		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)	
	1938	1939	1938	1939	1938	1939	1938	1939			
AGRICULTURAL AND VEGETABLE PRODUCTS											
Fruits and vegetables—											
Blueberries, frozen.....			377,528	370,714							17½% ad val.
Blueberries, fresh, n.o.p.....				405,632							1c. per lb.
Certified seed potatoes.....	12,891	901	185,625	249,453	5,206	632	98,163	232,467	75c. per 100 lbs.	37c. per 100 lbs., March 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.	75c. per 100 lbs. on imports in excess of 1,500,000 bu. per 12-month period beginning Sept. 15.
Potatoes, n.o.p.....	1,498	33	118,205	178,730	611	21	53,284	105,065	75c. per 100 lbs.	37½c. per 100 lbs., Mar. 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.	75c. per 100 lbs. on imports in excess of 1,500,000 bu., plus quantity domestic crop falls below 350,000,000 bu., per 12-month period, beginning Sept. 15.
Turnips.....	1,820	1,754	1,019,915	929,571	1,307	580	374,262	326,724	25c. per 100 lbs.	12½c. per 100 lbs.	
Grains and farinaceous products—											
Barley.....	115,022	214,811	115,310	501,466	64,417	85,099	64,737	204,937	20c. per bu.	15c. per bu.	
Oats.....	122	409,245	6,208	1,190,556	57	128,105	10,793	404,397	16c. per bu.	8c. per bu.	
Rye.....	19,999	86,801	19,999	164,801	10,799	39,928	10,799	73,468	15c. per bu.	12c. per bu.	
Bran, shorts and middlings.....	102	371,711	2,995	1,644,125	279	342,005	6,420	1,626,889	10% ad val.	5% ad val.	
Cereal foods, prepared.....					5,041	4,196	42,569	35,836	20% ad val.	10% ad val.	
Malt.....	61,024	180,318	542,481	818,370	70,291	165,040	585,463	734,246	40c. per 100 lbs.	35c. per 100 lbs., if barley malt; 33c. per 100 lbs. if rye malt.	
Screenings (grain).....	64,558	89,346	270,980	395,039	7,045	30,085	76,951	94,615	10% ad val.	5% ad val.	
Maple syrup.....	125	120,260	1,399	159,246	194	124,381	2,373	157,977	4c. per lb.	2c. per lb.	
Maple sugar.....	658,984	1,478,770	3,217,513	5,244,204	106,281	242,413	551,386	822,396	6c. per lb.	3c. per lb.	
Whiskey.....	189,520	84,436	1,183,641	484,198	727,179	472,311	4,724,381	2,672,718	\$5 per pt. gal. if aged in wooden containers for at least four years.	\$2.50 per pt. gal. if aged in wooden containers for at least four years.	

Seeds—									
Clover seed, alfalfa.....	Bu.	3	34	17,856	22,044	55	405	292,065	253,639
Clover seed, alsike.....	Bu.			2,037	103		2	22,947	8c. per lb.
Clover seed, red.....	Bu.	33	8	10,357	57	401	62	323	4c. per lb.
Clover seed, sweet (a).....	Bu.		605	59,600			900	104,317	4c. per lb.
Grass seed.....	Bu.	371	17	44,767	96,323	816	80	156,552	2c. per lb. if timothy; 40c. per lb. if bent grass; 20c. per lb. if bent grass, 5c. per lb. if blue grass; 2½c. per lb. if blue grass, 2c. per lb. if wheat grass.
Beet pulp (a).....	Cwt.		15		209				1c. per lb. if bromo grass.
Hulls of grain (a).....	Cwt.		9,000		54,379		19		258 55 per ton (2,240 lbs.)... \$3.75 per ton (2,240 lbs.)
Mixed feeds (a).....	Ton						3,779		20,205 10c. per 100 lbs..... 5c. per 100 lbs.
Hay.....	Ton	299	1,419	12,112	23,654	1,934	9,310	41,828 10% ad val..... 5% ad val.	135,448 \$5 per ton (2,000 lbs.)... \$2.50 per ton (2,000 lbs.)
Straw.....	Ton	77	222	1,569	3,594	310	985	14,238 \$3 per ton (2,240 lbs.) if flax straw; \$1.50 per ton (2,000 lbs.) if otherwise.	75c. per ton (2,000 lbs.) if otherwise.
ANIMALS AND ANIMAL PRODUCTS									
Animals, living—									
Cattle for improvement of stock.....	No.	1,101	879	4,216	3,999	99,305	69,284	385,495	Free.
Cattle, dairy, weighing over 700 lbs.....	No.	557	702	2,774	3,666	34,184	49,841	179,477	1½c. per lb.
Cattle, n.o.p., weighing less than 200 lbs.....	No.	5,721	12,313	28,973	46,950	82,580	193,046	415,343	2½c. per lb.; 1½c. per lb. on imports in excess of 100,000 head during any calendar year.
Cattle, n.o.p., weighing over 700 lbs.....	No.	1,824	92	22,484	87,763	93,433	6,220	1,288,906	1½c. per lb.; 3c. per lb. on imports in excess of 225,000 head during any calendar year, or 60,000 head during any quarter (b) during any quarter (b) not more than \$150; 20% ad val. if valued at more than \$150.
Horses, n.o.p.....	No.	388	504	4,009	3,880	53,218	65,113	511,223	473,847 \$30 per head if valued at not more than \$150; 20% ad val. if valued at more than \$150.
Poultry, n.o.p.....	No.	24,082	16,219	195,574	46,774	11,892	7,077	135,541	28,683 8c. per lb.
Swine, n.o.p.....	No.	34	20	96	22	101	73	607	87 2c. per lb.
Fish, fresh and frozen—									Free.
Clams and oysters, fresh.....	Cwt.	1,501	1,405	24,079	19,784	4,092	3,111	25,023	24,881 Free.
Scallops, fresh and frozen (a).....	Cwt.		82		1,774		1,555		35,106 Free.
Cod, haddock, pollock, hake and cusk, fresh and frozen.....	Cwt.	4,001	9,141	31,605	63,872	20,441	51,180	207,249	401,597 1c. per lb. (not filleted); 2½c. per lb. (filleted)
Eels, fresh and frozen.....	Cwt.	234	67	703	423	1,138	395	4,307	3,008 1c. per lb.
Habitat, fresh and frozen.....	Cwt.	4,538	5,467	31,967	28,458	38,291	50,981	334,871	300,233 2c. per lb.
Herring, sea, fresh and frozen.....	Cwt.	2,846	31,901	10,947	53,908	1,834	27,512	71,136	Free.
Loabers, fresh.....	Cwt.	33,594	31,076	71,663	69,320	525,978	477,003	1,309,948	1,226,124 Free.
Mackerel, fresh and frozen.....	Cwt.	346	414	9,749	3,488	1,046	1,870	34,655	17,042 2c. per lb.
Salmon, fresh and frozen.....	Cwt.	6,653	7,191	17,826	17,852	88,637	92,615	188,783	209,134 2c. per lb.
Smelts, fresh and frozen.....	Cwt.	10	39	41,761	50,341	69	69	401,134	Free.
Sturgeon, fresh and frozen.....	Cwt.	298	393	6201	1,000	8,317	11,8851	18,2391	39,000 1c. per lb.

(a) From January 1, 1939.

(b) Quota for period April 1—Dec. 31, 1939 (165,000 head), allocated 86.2 per cent to Canada and 13.8 per cent to other countries, equivalent to 142,230 head to Canada and 22,770 head to other countries. Maximum quarterly quota (60,000 head) allocated on same basis: Canada 51,720 head, other countries 8,280 head.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JUNE, 1935 AND 1939, AND THE SIX MONTHS
ENDED JUNE, 1935 AND 1939).—Continued

Commodities	Quantities			Value			United States Tariff	
	Month of June		Six months ended June	Month of June		Six months ended June	Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1938	1939		1938	1939			
ANIMALS AND ANIMAL PRODUCTS—Con.								
Fish fresh and frozen—Con.								
Swordfish, fresh and frozen.....Cwt.	37		46	1,036		1,106	3,257	2c. per lb.....
Fresh-water fish, other, fresh and frozen.....Cwt.	29,608	31,646	290,365	318,478	302,163	2,451,410	2,284,710	1c. per lb. (not filleted); 2½c. per lb. (filleted).
Fish, salted, dried, smoked, or pickled—								
Cod, haddock, pollock, hake and cusk, dried.....Cwt.	3,383	2,208	23,327	20,317	13,134	154,654	204,232	1½c. per lb., if containing not more than 43% moisture.
Cod, pollock, hake, and cusk, green-salted.....Cwt.	4,028	10,070	18,272	13,774	27,277	52,990	100,336	1c. per lb., if containing more than 43% moisture.
								2c. per lb., if skinned or boned.
Cod and haddock, smoked.....Cwt.	596	1,258	14,749	5,953	12,061	151,008	156,250	2½c. per lb. (not filleted); 3c. per lb. (filleted).
Herring, sea, pickled.....Cwt.	16	534	2,485	70	1,359	7,745	10,223	1c. per lb., net weight.
Herring, sea, smoked.....Cwt.	243	70	5,086	2,294	781	22,349	25,923	¾c. per lb., if boned; 1½c. per lb., if not boned.
Mackerel, pickled.....Cwt.	48	336	6,866	156	1,715	47,819	40,643	1c. per lb., net weight.
Salmon, pickled.....Cwt.	628	110	1,254	10,324	2,148	19,154	8,974	25% ad val.
Salmon, smoked.....Cwt.	1	1	8	19	38	169	180	25% ad val.
Fish, canned—								
Lobsters, canned.....Cwt.	1,053	2,097	2,108	53,109	90,635	111,044	161,142	Free.....
Fur skins, undressed—								
Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed.....No.	18,555	91,202	192,874	107,491	334,077	1,333,772	1,802,117	Free.....
Fox skins, black and silver, undressed.....No.	133	1,565	5,250	4,234	32,405	148,851	407,544	50% ad val.
Hair and bristles.....Sq. ft.				15,144	31,128	134,750	222,354	15% ad val.
Leather, patent.....Sq. ft.		66,444		32	14,030	5,412	222,354	15% ad val.
Meats—								
Bacon and hams, shoulders and sides.....Cwt.	493	335	4,153	18,621	12,196	146,884	104,150	3½c. per lb.
Pork, fresh, chilled and frozen.....Cwt.	1,356	1,758	13,985	23,862	33,831	245,096	222,936	2½c. per lb.
								1½c. per lb., if fresh or chilled.
Pork, dry-salted.....Cwt.	70		70	805		805		3½c. per lb.
Pork, pickled, in barrels.....Cwt.			138		9,528	1,628		3½c. per lb.
Edible animal entrails, n.o.p. (a).....Cwt.		418					59,701	6c. per lb., but not less than 20% ad val.
Milk products—								
Cheese.....Cwt.	600	846	8,334	11,170	13,940	147,421	105,024	7c. per lb., but not less than 35% ad val.
								Further processed than cheddar cheese, not divided into portions.
Cream.....Gal.		4	5,096		2	11,153	25% ad val.	25% ad val.
								150% ad val. on imports in excess of 1,500,000 gals. during any calendar year.

Milk, fresh.....	Gal.	280	232	1,168	1,552	100	87	403	582	31c. per gal.; 60c. per gal. on imports in excess of 3,000,000 gals. during any cal- endar year.	50c. per gal. if sperm oil.	50c. per gal. if sperm oil.	50c. per gal. if sperm oil.
Whole oil.....	Gal.	173,714		173,714		50,854		50,854	50,854				
Wood, Wood Products and Paper													
Christmas trees.....	No.	61,215	130,445	388,769	552,606	5,202	10,874	2,506	18,587	10% ad val.			
Fence posts.....	No.	40,511	111,498	111,498	117,682	143,085	100,139	33,138	48,500	Free.			
Telegraph and telephone poles.....	No.	12,964	19,444	100,702	88,082	9,081	17,987	352,079	369,218	Free.			
Railroad ties.....	No.	3,914	4,244	22,015	23,267	20,024	22,640	74,142	59,975	Free.			
Firewood.....	Cord	49,621	17,061	23,850	73,724	31,101	44,855	114,291	127,654	Free.			
Laths.....	M ft.	7,553	16,153	40,850	93,967	71,419	169,105	183,184	204,701	Free.			
Logs.....	M ft.	5,311	2,459	14,502	16,329	33,919	23,250	557,952	1,082,034	Free.			
Pickets.....	M ft.	51,713		202,469	152,147	3,142		103,442	123,408	Free.			
Piling.....	Lin. ft.							13,429	9,823	\$1 M ft. b.m. if fir, spruce, pine, hemlock, or larch.			
Planks and boards and square timber—	M ft.	4	1	79	89	272	72	4,078	5,059	Free if other kinds.			
Flooring of hardwood.....	M ft.									8% ad val. if maple, birch or beech.			
Planks and boards, hardwood, n.o.p., and square hardwood timber.....	M ft.	2,015	3,038	10,873	19,205	75,949	126,220	449,130	780,873	Free, but subject to \$3 M ft. b.m. revenue tax.			
Planks and boards and square timber, softwood.....	M ft.	31,002	38,800	176,157	257,931	814,333	1,078,286	4,399,098	6,236,239	\$1 M ft. b.m. and \$3 M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch.			
Pulpwood.....	Cord	164,331	107,890	499,065	304,084	1,510,383	940,399	3,714,212	2,272,390	Free, but subject to \$3 M ft. b.m. revenue tax if other woods.			
Shingles.....	Square	31,997	246,652	926,457	1,330,622	85,842	707,580	2,445,231	3,769,408	Free.			
Staves and headings.....	Cwt.	667,368	783,551	3,840,416	5,076,323	1,505,880	1,745,662	9,362,848	11,638,439	Free if staves.			
Wood pulp.....	Cwt.									Free.			
Book, paper and newsprint, side runs and side rolls.....	Cwt.	17,879	26,439	81,787	157,625	18,363	28,107	90,906	170,722	1/5c. per lb. and 10% ad val.			
Hanging paper, not printed (a).....	Cwt.	2,969,326	3,692,879	17,441,412	19,966,906	6,616,248	8,276,565	37,676,250	43,618,129	10% ad val. if pulphoard in rolls, not processed; \$14.50 per (sq 2,000 lbs.) but not less than 15% or more than 30% ad val. if pulphoard in rolls, processed.			
Newsprint paper.....	Cwt.									Free.			
Pulphoard for wallboard (a).....	Cwt.									5% ad val. if pulphoard in rolls, not processed; 15% ad val. if pulphoard in rolls, processed.			

(a) From January 1, 1939.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JUNE, 1935 AND 1939, AND THE SIX MONTHS
ENDED JUNE, 1938 AND 1939)—Concluded

Commodities	Quantities				Value				United States Tariff		
	Month of June		Six months ended June		Month of June		Six months ended June		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)	
	1938	1939	1938	1939	1938	1939	1938	1939			
IRON AND ITS PRODUCTS											
Casting of iron and steel, n.o.p. Cwt.	39	236	1,159	883	322	1,188	7,455	4,849	20% ad val. if of iron....	10% ad val. if of iron.	
Farm implements and machines and parts (except "Garden and farm tools" and "Spades and shovels and parts")	369	305	3,206	3,472	295,272	266,645	1,886,700	1,197,088	Free.	Free.	
Ferro-silicon..... Ton					9,803	7,782	82,969	86,822	2c. per lb. on silicon content.	1c. per lb. on silicon content when containing less than 87% of silicon; 30% of silicon.	
Spiegeleisen (a) (see "Ferro-manganese and other ferro-alloys, n.o.p.")..... Ton		1,035		10,033		30,369		301,313	75c. per ton (2,240 lbs.).	75c. per ton (2,240 lbs.).	
Ferro-manganese and other ferro-alloys, n.o.p. (included "Spiegeleisen prior to January 1, 1939")..... Ton	572	64	4,876	158	18,015	3,003	179,623	7,038	1½c. per lb. on manganese content; if ferro-manganese; 2½c. per lb. on chromium content when containing not less than 3% of carbon; if ferro-manganese; 1½c. per lb. on chromium content when containing not less than 3% of carbon; if ferro-chrome. (Reduced to 1½c. per lb., Swedish Agreement, Aug. 5, 1935).	1c. per lb. on manganese content when containing not less than 4% of carbon; if ferro-manganese; 2½c. per lb. on chromium content when containing not less than 3% of carbon; if ferro-chrome.	
Skates..... Pair	5,334	28,706	40,778	149,822	6,523	25,290	26,358	115,488	20% ad val.	15% ad val.	
NON-FERROUS METALS AND PRODUCTS											
Aluminium in bars, blocks, ingots, sheets, etc. Cwt.	2,012		2,512	29,084	30,506	1,423	41,078	411,970	4c. per lb., if crude....	3c. per lb., if crude.	
Aluminium scrap..... Cwt.		134	1,057	3,965			969	39,118	4c. per lb.	3c. per lb.	
Cadmium (a)..... Lb.				22				10	15c. per lb.	7½c. per lb.	
Cobalt, contained in ore..... Cwt.			55	275			2,231	20,702	Free.	Free.	
Cobalt, metallic..... Lb.			20,151	6,678	340	12,836	29,104	138,566	Free.	Free.	
Nickel, contained in oxide..... Cwt.	16	562	1,088	402,320	582,600	1,366,472	21,757	10,058,291	3c. per lb.	2½c. per lb.	
Nickel, fine..... Cwt.	23,295	54,041	174,535	50,017			4,364,093	76,180	Free.	Free.	
Selenium and salts of (a)..... Lb.		8,318							1½c. per lb. on zinc content.	1½c. per lb. on zinc content.	
Zinc, contained in ore..... Cwt.									1½c. per lb.	1½c. per lb.	
Zinc spelter..... Cwt.	601	4,609	12,202	61,170	1,532	15,294	49,854	199,193	1½c. per lb.	1½c. per lb.	
NON-METALLIC MINERALS AND PRODUCTS											
Abraives, artificial, crude, including carborundum..... Cwt.	79,153	97,294	594,120	556,322	232,333	233,467	1,704,337	1,363,541	Free.	Free.	
Asbestos, and asbestos sand and waste... 1 ton	12,110	16,217	71,397	88,948	348,614	525,257	2,199,505	2,934,966	Free.	Free.	

Basic refractory materials, dead-burned									
(a).....Ton				152				3, 659	30% ad val.
Coal tar and pitch; creosote oil; and coal									20% ad val., if containing 15% or more of lime.
tar oils, n.o.p.....Gal.	571,873	828,230	2,227,178	2,279,969	51,153	57,395	226,069	196,284	Free.
Feldspar (See "Nepheline syenite").....Ton	722	737	1,412	2,528	4,764	4,997	9,318	16,828	25c. per ton (2,240 lbs.), if crude; 15% ad val., if ground.
Gypsum or plaster, crude.....Ton	81,548	117,355	243,491	309,803	92,992	130,894	278,950	356,533	Free.
Lime, building.....Cwt.	7,918	9,906	71,641	40,121	3,316	4,081	28,454	17,279	30% ad val., if ground. 23c. per 100 lbs., if lime-stone crude; 12c. per 100 lbs., if hydrated; 10c. per 100 lbs., if other.
Lime, n.o.p. (a).....Cwt.		4,578		53,475		1,492		20,008	Same rates as above.
Nepheline syenite (includes "Feldspar" for January, February and March, 1938).....Ton	2,870	2,450	13,158	12,725	15,537	9,220	74,457	46,940	Free, if crude; 30% ad val., if ground.
Quartzite (a).....Ton		22,160		28,774		39,402		51,202	Free.
Sand and gravel.....Ton	19,030	17,140	32,644	40,865	6,568	5,117	11,802	13,057	Free.
Talc.....Cwt.	6,657	9,908	56,009	58,835	3,662	5,142	28,998	31,008	85% ad val., if valued not more than \$14 ton.
CHEMICALS AND ALLIED PRODUCTS									
Acetic acid.....Cwt.	9,095		21,692	2,505	48,603		116,091	11,865	1½c. per lb., if not over 65%; 2c. per lb., if over 65%.
Acetylene black (a).....Lb.		181,875		1,026,160		19,189		109,026	20% ad val.
Cyanamid.....Cwt.	80,125	57,854	1,769,016	1,634,447	73,357	46,770	1,997,117	1,806,668	Free.
Soda and sodium compounds.....Cwt.	40,238	35,955	196,202	289,641	177,922	132,969	751,115	997,396	Free, if sodium cyanide.
Vinyl acetate and synthetic resins made therefrom (a).....Lb.		38,207		188,725		18,660		94,698	Free, if sodium cyanide.
MISCELLANEOUS COMMODITIES									
Junk, except metallic and rubber.....Cwt.	610	2,897	9,377	9,748	4,760	5,816	32,781	37,740	10% ad val.
Organs and parts.....No.			7	1			23,244	611	7½% ad val.
									1½% ad val., if pipe organs and parts; 20% ad val., if pipe-organ player actions (church); 30% ad val., if pipe-organ player actions (other).

(a) From January 1, 1939.

TRANSPORTATION AND COMMUNICATIONS IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(£A1 equals approximately \$3.74 Canadian.)

Sydney, May 31, 1939.—In view of the variety of Canadian products supplied to public utilities throughout the Commonwealth of Australia, Canadian manufacturers and exporters will be interested in recent details supplied by the Commonwealth Statistician in respect of transport and communication development in the Commonwealth.

RAILWAYS

There are approximately 27,973 route miles of railways in Australia open for general traffic. Of this total 27,186 miles, having a capital cost of £314,746,658, are either Commonwealth or State holdings.

The gross revenue of all Government railways in Australia in 1938 amounted to £45,274,155, with working expenses totalling £34,242,435, leaving an operating revenue of £11,031,720. Interest charges, exclusive of exchange, amounted to £11,458,792, leaving a net loss of £427,072. This loss was the smallest recorded since 1914, and compares very favourably with the deficit of £811,036 in the previous year.

It is of interest to note that the train miles run during the year, totalling 77 millions, were the highest ever recorded, and showed an increase of 4 millions on the figures of the previous year. Passenger journeys also increased from 378 millions to a new high of 385 millions, while the tonnage of goods and live stock carried increased from 33 to 36 millions. It should be borne in mind that these figures apply to a total population in Australia of just under 7,000,000, and thus provide an indication of the present prosperous conditions throughout the Commonwealth.

The rolling stock of the various Government railways at the end of 1938 comprised 3,588 locomotives, 8,051 coaches, and 86,003 other vehicles.

Exclusive of construction staff, 104,817 persons were employed on the average throughout 1938, being an increase of 2,370 employees as compared with the previous year.

TRAMWAYS

The majority of tramways throughout the Commonwealth urban centres operate under the various state railways. A mileage of 608 route miles was in operation in 1938, the capital cost being £26,959,286. Of this mileage 410 miles operate under Government control and 185 miles under municipal control. There are 578 miles operated electrically, 19 miles by steam, and 11 by cable.

In a special report on the operation of electrical tramways during the year under review it is noted that car mileage run and the number of passenger journeys were the highest ever recorded, car miles being 81 millions and passenger journeys 689 millions. The gross revenue amounted to £7,601,922 and working expenses to £5,783,092.

MOTOR VEHICLES

Marked increases in the number of motor vehicles in use in the year under review are noted by the Commonwealth Statistician. There was a total of 856,828 motor vehicles registered throughout the Commonwealth, an increase of 65,300 as compared with the previous year. Registrations of new vehicles totalled 90,850 as compared with 80,257 in the previous year. Gross revenue

received from taxes, registrations, and licences amounted to £6,589,061 in 1938 as compared with £6,080,867 in 1937.

AVIATION

During 1938 Australian-owned civil aircraft travelled 12,291,570 miles, total flying hours being 113,647. A total of 158,903 passengers, 1,169,207 pounds of goods, and 228,581 pounds of mail was carried. These figures show a large increase on the figures for 1937, which were respectively 8,731,612 miles, 84,010 hours, 102,164 passengers, 822,724 pounds of goods and 167,601 pounds of mail. The foregoing figures are exclusive of flying operations in the mandated Territory of New Guinea and the Darwin-Singapore section of the Imperial Airways Route, which is handled by Qantas Empire Airways Ltd., an Australian-controlled organization.

SHIPPING

Shipping movements, both inter-state and overseas, and cargoes discharged and shipped, were higher in 1938 than those recorded in any previous year. During the year 1,905 vessels of a total net tonnage of 7,128,404 entered Australian ports direct from overseas as compared with 1,641 vessels with a total net tonnage of 6,274,190 in the previous year.

The majority of the vessels which entered Australian ports from overseas were of British registration. Japanese, Norwegian, French, Dutch, and German vessels followed in that order in numerical importance. Over half the number of entries were from British ports, most of the remainder coming from Europe, Japan, Dutch East Indies, and the United States.

There was a marked increase in 1938 in new vessels catering to the Australian overseas trade, particularly in those of British registration. It is of further interest to note that cargo discharged in Australian ports during the year under review totalled 15,668,263 tons, while outward shipments amounted to 15,728,258 tons, an increase of approximately one and three-quarter million tons in each case over the figures for the previous year.

At the end of 1938 Australian registers showed 2,175 vessels of a total of 341,522 net tons as compared with 2,208 vessels of 334,340 net tons at the end of 1937. Thirty companies were operating 167 vessels of a total of 200,121 net tons in inter-state and coastal trade as compared with 162 vessels of 197,130 net tonnage in the previous year.

POSTS, TELEGRAPHS, TELEPHONES, AND WIRELESS

The Postmaster-General's Department showed substantial increases during the year under review in practically all departments. Many of the figures recorded, such as earnings, telephone calls, telegrams despatched and received, money orders issued and paid, and postal notes dealt with, exceeded figures for any previous year.

The earnings of the Postmaster-General's Department were particularly satisfactory. The revenue amounted to £17,005,122 and working expenses to £11,645,669. The net profit, after deducting interest charges of £1,825,977, totalled £3,533,467. The net profit for the previous year was £3,340,930.

The amount of postal matter handled rose from 1,027 million articles to 1,071 million, while the value of money orders issued was £17,958,849, an increase of approximately £861,000 on the figures for 1937.

During the year under review 1,058,581 wireless licences were issued, slightly less than one to every six persons in the Commonwealth. Of the total 1,055,995 were ordinary broadcast listeners' licences. Corresponding figures for the previous year were 940,630 and 938,297 respectively.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, June 17, 1939.—Estimates of wheat production in Australia for the season 1938-39 are still subject to revision, but the latest estimate indicates a production of 154,543,000 bushels as compared with a yield of 187,255,000 bushels last season. Average production of wheat in Australia for the ten years ended 1938 was 169,904,000 bushels from an average of 14,389,000 acres, showing an average yield per acre of 11·81 bushels. The average yield for the season 1938-39 is estimated at 10·96 bushels per acre.

WHEAT PRICES

May opened with shippers' limits at 2s. 5½d. per bushel (approximately 47 cents Canadian). Gains on the overseas grain exchanges, due to "bullish" reports of the United States crop, were reflected in a slight advance in Australian values about the middle of May. Thereafter the market remained inactive, no further business being done with the Orient. Shippers' limits at the end of May represented 2s. 6¼d. per bushel (approximately 49 cents Canadian).

The weighted average price of wheat per bushel during May for the past six years is as follows: 1934, 29·48d.; 1935, 38·75d.; 1936, 43·90d.; 1937, 62·66d.; 1938, 44·69d.; 1939, 30·28d.

EXPORTABLE SURPLUS

The statistical position of wheat in Australia reveals a satisfactory trend towards a steady elimination of the exportable surplus. Almost two-thirds of the exportable surplus of wheat and flour was shipped in the first six months of the current season and only 48,026,863 bushels remain to be exported in the remaining half of the season.

Many new silos and grain elevators are being constructed in Australia to institute large-scale bulk handling of wheat. A new terminal at Geelong, Victoria, with a capacity of 2,250,000 bushels, will operate at the beginning of the next wheat season.

AID FOR THE WHEAT INDUSTRY

Following an appeal to the High Court of Australia by certain master bakers that legislation passed last year concerning a tax on flour consumed within Australia was invalid, the judgment of the High Court recently delivered upholds such legislation. An appeal to the Privy Council is not impossible.

Many plans for the stabilization of the wheat industry have been advanced to the Australian Government within the last month. Including the present flour tax, these involve heavy subsidies varying from £A4,000,000 to £A6,500,000.

A price of 3s. 4d. per bushel (approximately 62 cents Canadian) is stated to be the minimum price which the wheat-growing States would consider to cover the cost of production and allow a reasonable margin. It is stated that the price of wheat exceeded an average of 3s. 4d. per bushel net at the country station only on two occasions in the last ten years. The average price received by growers over 1936-37 and 1937-38 was about 4s. a bushel net at country stations, representing about 8d. a bushel more than the estimated cost of production. This showed a profit to the industry for the two seasons of about £A10,000,000. In contrast in the six seasons 1930-31 to 1935-36 inclusive, which followed the disastrous season of 1929-30, the average price received by growers was about 2s. 6d. a bushel net (approximately 47 cents Canadian). On the basis of the estimated cost of production of 3s. 4d., this average price represented a loss to Australian wheat growers of nearly £A45,000,000.

These plans for aid to the wheat industry have been submitted to the Agricultural Council at Canberra which had the task of making a recommendation to the Commonwealth Government respecting the advisability of temporary or permanent assistance measures.

Mr. Palmer cables under date July 17 as follows:—

Shipments of wheat and flour from Australia from December 1, 1938, to the week ending July 3 totalled 62,241,424 bushels as compared with 98,127,045 bushels in the corresponding period of the previous season. No interest in Australian wheat has been shown by overseas buyers during the past month. The marked unsettlement in Chinese ports caused a complete cessation of buying by Chinese millers. Exchange difficulties lessen the prospect of sales to China despite a reported shortage. Very little business has been lately transacted, and prices are nominal at 2s. 7½d. (equivalent to 49 cents Canadian) per bushel f.o.b. and 2s. 4½d. (44 cents Canadian) per bushel to growers at country sidings. Crop conditions remain favourable in all states, but it is unofficially estimated that 13,500,000 acres will be sown as compared with 14,110,000 acres in 1938.

Interference at Tientsin makes transactions in flour impossible. Other import markets for flour are quiet, but millers generally are booked till the end of August. Export quotations for flour are £5 10s. (\$20.50 Canadian) per ton in 150-pound sacks and £5 17s. 6d. (\$21.03 Canadian) per ton in 49-pound calico bags. Although there have been no further charters during the month, owners are not pressing and rates are at a minimum of 31s. per ton of 2,240 pounds.

TRADE OF SOUTH AFRICA IN 1938

G. R. HEASMAN, TRADE COMMISSIONER AT CAPE TOWN

J. L. MUTTER, TRADE COMMISSIONER AT JOHANNESBURG

(Figures within parentheses are for 1937; unless otherwise stated, all tons are short tons of 2,000 pounds)

III. Imports from Canada

Exclusive of government stores, the value (in £1,000) of Canadian merchandise imported into the Union during the six years 1933-38 was as follows: 1933, £1,205; 1934, £2,492; 1935, £2,436; 1936, £2,882; 1937, £3,420; 1938, £3,011. Imports from Canada decreased last year, in sympathy with the general decline in imports into the Union from all countries, but in any case the 1937 figure is likely to stand as a record for some time.

Government stores were imported from Canada to the value of £425,142 as compared with £259,706 in 1937, and should be added, of course, to the foregoing figures in order to obtain the true value of imports into the Union from Canada. The heavy increase in government purchases was due to Canada obtaining a larger share of the orders for heavy rails, the latter accounting for £417,181 of the total government purchases in the Dominion. Canada ranks fourth after the United Kingdom, Germany, and Belgium as a source of supply for government imports, and in 1938 ranked fourth also as a source of supply for all the Union's imports, having displaced Japan from that position.

The Annual Statement of the Trade and Shipping of the Union of South Africa lists 272 separate commodities, each in excess of £100 as coming from Canada. This is an increase of 30 commodities over the 1937 total and compares with an increase of 27 commodities in 1937 as compared with 1936, a further indication of the steady increase in the variety of commodities coming from Canada.

NOTES ON THE PRINCIPAL COMMODITIES

Following are comments on a number of selected commodities of special interest to a large number of Canadian exporters. Items which are of interest to only one or two suppliers are not dealt with in detail, as it is assumed that the manufacturers concerned are familiar with their sources of competition and the extent of the market.

MOTOR VEHICLES, CHASSIS, PARTS AND ACCESSORIES

During 1938 a total of 20,515 motor cars valued at £3,307,473 were imported into the Union as compared with 32,096 valued at £4,807,340 in 1937 and 28,752 valued at £4,160,190 in 1936. Motor car chassis imported numbered 14,570 (£1,183,473) as against 22,441 (£1,615,282) in the previous year, and motor trucks, vans, etc., totalled 1,676 (£258,117) as against 2,374 (£479,072) in 1937. Imports of motor truck chassis also showed a decrease, totalling only 7,415 (£1,169,762) as against 10,200 (£1,454,757) in 1937.

The United States was the principal supplying country under all the aforementioned headings, followed in the case of motor cars, of which 13,345 came from the United States, by the United Kingdom, Germany, France, Italy, Czecho-Slovakia, and Canada (44). Of imports of motor car chassis numbering 14,570, the United States supplied 9,806 and Canada 4,762. Imports of motor truck chassis numbered 7,415, of which the United States supplied 4,391 and Canada 2,466. Under the heading "motor car parts and accessories" total imports were valued at £1,171,166 (£1,406,121 in 1937), the United States being the principal supplier with £869,325, followed by Canada with £130,580.

AGRICULTURAL IMPLEMENTS

Imports of agricultural implements from all sources totalled in value £1,563,000 as compared with £1,594,000 in 1937. Canada's share of this business amounted to £160,438 (£225,837). From the Canadian standpoint, the most important item under this heading was "ploughs, harrows and parts." Total imports of these from all sources numbered 78,345 (100,811) valued at £488,873 (£568,072). The principal suppliers during 1938 and the value credited to each were respectively as follows: Germany, £156,431; United States, £110,928; Canada, £108,696.

Under the miscellaneous heading, "other agricultural implements and machinery," total imports were valued at £249,702 (£329,894), of which the United States was credited with £123,817; the United Kingdom with £50,740, and Canada with £29,561.

Imports of farm tractors numbering 1,803 (1,108) were valued at £395,988 (£248,240), but Canada does not appear as a supplier. This business has always been largely catered to by the United States, imports from this source during the year under review numbering 1,481 valued at £340,429.

Canada was prominent as a supplier of binders, reapers and mowers, of which 2,281 (4,468) valued at £72,255 (£113,197) were imported, being credited with 523 (1,566) of a value of £16,666 (£31,011). Other suppliers of importance were the United States, with 929 (1,708), valued at £31,684 (£45,188), and Germany with 204 (164) valued at £10,215 (£10,176).

Imports of cream separators totalled in number 7,097 (11,137) valued at £29,527 (£47,384). As in the past, Sweden was the principal supplier with 5,734 valued at £21,774, followed by the United Kingdom with 513, Finland with 301, and Germany with 203.

Hoes and picks to the value of £17,294 (£16,166) were imported, but the business went largely to the United Kingdom, £14,954 (£15,021), Canada's share being negligible, £240 (£209).

Under the heading "threshing machines," of which 67 (117) valued at £22,088 (£35,968) were imported, Canada is credited with 11 (41) valued at £3,900 (£14,014). The bulk of this business, however, went to the United Kingdom and the United States, these suppliers being credited with £10,364 and £6,792 respectively.

ROAD GRADERS AND OTHER ROAD-MAKING MACHINERY

Machinery under this heading was previously grouped with other machinery imports, and it was not until 1938 that it has been possible to record, for instance, the number of "road graders and parts" imported. These amounted in 1938 to 435, valued at £131,022, almost entirely from the United States. Canada, the only other supplying country besides the United States, was credited with 25 valued at £3,814. The value of other road-making machinery, not including road rollers or stone crushers, was £46,175, of which the United States supplied to the value of £25,732; the United Kingdom, £14,720, and Canada, £3,581.

There is undoubtedly a great future in South Africa for Canadian road-making machinery, as there are still many thousands of miles of road on which maintenance work will be required and many new roads to be constructed.

ELECTRICAL COOKING AND HEATING APPARATUS

Reflecting a slackening of building activity throughout the Union, imports of electrical cooking and heating apparatus, which include electric ranges and rangettes and miscellaneous smaller appliances, declined in value from £383,049 in 1937 to £328,630. The latter figure, however, was still well above that for 1936, when imports under this classification were valued at £309,584. Canada has long held the leading position in this particular trade and, although she shared in the general reduction, her position of chief supplier was well maintained. Principal suppliers in order of their importance and the value credited to each were as follows: Canada, £140,629 (£185,761); United Kingdom, £92,982 (£108,246); United States, £61,311 (£48,048); and Germany, £23,522 (£25,283).

STOVES, RANGES, AND PARTS (NOT ELECTRIC)

With the exception of Germany, all the principal suppliers of gas, coal and wood stoves and ranges suffered reverses. Total imports were valued at £246,795 (£315,463), the share of the United Kingdom, the leading supplier, dropping from £187,758 in 1937 to £151,057. Sweden's share fell from £45,887 to £32,602, the United States' from £32,358 to £24,755, and Canada's from £32,694 to £21,797. Germany's share advanced from £12,936 to £14,208.

WROUGHT IRON AND STEEL PIPES

Although total imports of these, valued at £677,633 showed an increase of some £22,000 over those for 1937, this business was of considerably less importance to Canada than during the two preceding years, in both of which the Dominion's share was well over the £50,000 mark. During the year under review, imports from Canada were valued at only £20,926, whereas the United Kingdom's share advanced from £434,928 to £484,983, that of Czecho-Slovakia from £51,232 to £70,508, and that of Germany from £38,558 to £44,558.

IRON AND STEEL BARS, BOLTS AND RODS

Canadian suppliers have made considerable headway under this classification during the past four years. In 1935, when total imports were valued at £308,375, Canada's share was £145. For 1936, when total imports were valued

at £306,129, the Canadian share stood at £4,961. In 1937, out of total importations valued at £452,849, Canada was credited with £16,089, and in 1938, with imports valued at £478,213, Canada contributed to the extent of £51,062. The principal suppliers apart from Canada during the year under review were: the United Kingdom, £179,700; Belgium, £97,147; and the United States, £87,126.

WIRE

In recent years Canada has been prominent as a supplier under such headings as "baling and binding wire," "plain fencing wire," "wire netting," and "wire nails." Of total imports during 1938 of "baling and binding wire" valued at £44,467, the United States supplied to a value of £12,973; United Kingdom, £10,057; and Canada, £6,568. Imports of plain fencing wire were valued at £233,862, the principal suppliers being Belgium, £66,473; United Kingdom, £53,212; United States, £50,919; Germany, £30,132; and Canada, £16,357. Wire netting imports totalled in value £138,149, of which Germany supplied to a value of £41,454; United Kingdom, £34,470; Belgium, £34,153; and Canada, £11,149.

NAILS

Imports of wire nails amounted to 4,164 tons valued at £64,149 as compared with 5,417 tons valued at £82,477 in 1937. Of this quantity Canada supplied 781 tons as compared with 1,360 tons in 1937, the United States, 1,015 tons (827 tons); Sweden, 870 tons (926 tons); and the Netherlands, 520 tons (353 tons). The decline in imports of wire nails was chiefly due to a poor deciduous fruit season. Imports during 1939 are expected to show considerable improvement. Nails of other types were imported to the amount of 2,095 tons valued at £46,862 as compared with 2,138 tons valued at £51,390 in 1937. The United Kingdom supplied 50 per cent of both quantity and value, the remainder being distributed between Belgium, Germany, France, and Sweden.

CYANIDE

Although imports of sodium cyanide for 1938 showed a considerable drop due to the development of local production—19,347,563 pounds valued at £358,341 as compared with 26,163,500 pounds valued at £444,086 in 1937—this trade is still of considerable importance to Canadian suppliers. On a quantity basis Canada was the leading supplier for 1938 with 7,730,600 pounds (14,008,000 pounds) followed by the United Kingdom with 6,327,983 pounds (7,434,351 pounds), and Czecho-Slovakia with 4,376,144 pounds (4,522,617 pounds). On a value basis, however, the position was as follows: United Kingdom, £154,772 (£187,288); Czecho-Slovakia, £99,576 (£104,455); and Canada, £81,065 (£147,116).

PINE, OTHER

In previous years imports of Douglas fir into the Union were obscured under the statistical heading "pine and other coniferous soft woods." During 1938 Douglas fir was given a separate classification, from which it can be ascertained that imports amounted to 3,276,893 cubic feet valued at £212,775, of which Canada supplied 2,603,141 cubic feet valued at £134,126. Under the heading "pine and other coniferous soft woods," total imports amounted to 11,180,413 cubic feet valued at £850,035. Imports from Canada were 488,381 cubic feet valued at £30,328 and consisted chiefly of hemlock and cedar with a small quantity of spruce from Eastern Canada. The chief source of supply under this heading was Finland with 4,617,299 cubic feet valued at £338,605, followed by Russia with 3,358,567 cubic feet valued at £235,078. Other large sources of supply were the United States, Poland, and Sweden. It is expected that imports of lumber from Canada during 1939 will show an appreciable increase over 1938.

SHINGLES

It was fully anticipated that imports of shingles for 1938 would show a considerable increase over 1937; actually, however, there was a slight decrease, imports being valued at £6,913 (£7,534). Canada was again the chief source of supply with £5,295 (£7,233), the balance coming entirely from the United States. The use of shingles in the coastal cities, and especially Cape Town, continues to expand, and it is now the exception rather than the rule for a better-class type of home to be erected in Cape Town with a roof other than of shingles, such has been the change in five years' time. Prior to that it was difficult to find a home anywhere roofed with shingles. Owing to the Cape Town municipality having adopted Canadian shingles for part of a large housing scheme, it is confidently hoped that imports during 1939 will show at least a 50 per cent increase over 1938.

NEWSPRINT

Total imports of newsprint in 1938 amounted to 36,444 tons, which was slightly below the figure for 1937 but greater in value. It is probable that 1937 imports, 39,763 tons, will not be exceeded for many years owing to several newspapers having now been taken over and combined with others. The value of imports in 1938 was £365,236 (£345,085). Canada was again the chief source of supply with 20,680 tons as against 24,534 tons in 1937. The United Kingdom supplied 15,434 tons as compared with 12,904 tons. Total imports in 1939 are expected to be slightly less or about the same as for 1938. Imports of "newsprint, flat" amounted to 1,073 tons valued at £12,493 as compared with 1,840 tons in 1937 valued at £18,814, of which Canada supplied over 50 per cent in both quantity and value.

HOSIERY

For the first time South African statistics now show "rayon silk hosiery" and "silk hosiery" separate from the classification "hosiery, other." Total imports of pure silk hosiery were valued at £429,997, of which Canada supplied to a value of £237,220; Japan, £123,842; and the United States, £48,416. In rayon hosiery total imports amounted to £112,168, for which Canada was also the chief source of supply with £36,162, followed by the United States, £23,076; Japan, £13,715; and the United Kingdom, £13,188. Imports of "hosiery, other" were valued at £182,244, of which Canada supplied to the value of £69,119; the United States, £40,886; and the United Kingdom, £36,481. Competition in hosiery is becoming keener, especially from Japan. Practically every Canadian hosiery manufacturer is represented in South Africa, the bulk of the business going to those firms who advertise the most extensively.

WOMEN'S OUTER GARMENTS

The chief imports were under the heading of "women's outer garments, other, including infants" to the value of £2,167,000 (£2,319,000). This amount included imports of knitted garments to the value of £252,776, of which the United Kingdom is credited with £138,436; Belgium, £47,774; Germany, £13,021; and Canada, £1,114. Apart from knitted garments, imports of "women's outer garments, other, including infants," were valued at £1,914,174 (£2,319,230), for which the United Kingdom was the chief source of supply with £919,270 (£1,210,764); the United States, £395,780 (£396,816); Japan, £222,684 (£228,206); Germany, £108,629 (£131,810); and Canada, £93,982 (£83,301). It should be noted that, while imports from the majority of countries decreased, imports from Canada showed a substantial increase. These imports consist largely of ladies' dresses, in which Canada has been obtaining a steadily increasing share, sales having risen from practically nothing five years ago.

JAMS, JELLIES, AND JELLY POWDERS

Total imports of "jams and jellies" were valued at £15,877 (£18,969). The United Kingdom was the chief source of supply with £11,236 (£11,326), Canada supplying practically all the remaining imports. Imports from Canada vary greatly from year to year; during 1938 they were slightly more than half of those for 1937. Total imports of "jelly, custard and pudding powders" were valued at £24,439 (£24,651). Arrivals under this heading are fairly consistent from year to year, the United Kingdom being the chief source of supply in 1938 with £19,716 (£20,825). The balance of imports came largely from Canada, whose share shows a consistent rise during the last five years from nothing to £3,615 (£3,545).

CANNED VEGETABLES

Total imports of canned vegetables showed a decline of £11,000 in 1938 from the 1937 figure. Canada's share of the total, however, increased by £5,000 to a total of £23,000. Imports of "canned beans and peas" amounted to 1,075,959 pounds valued at £18,685, as compared with 1,502,168 pounds valued at £25,099 in 1937. These figures are evidence of the effect on imports of local production. Canada was able to increase her share during the year with 566,454 pounds valued at £9,692 as compared with 421,557 pounds valued at £6,110 in 1937. The chief remaining source of supply was the United States with 299,406 pounds valued at £5,380, which compared with 789,385 pounds valued at £14,782 in 1937.

Imports of "tinned asparagus" amounted to 934,055 pounds, almost entirely from the United States. Canned vegetables under the heading of "other, preserved vegetables," which consist chiefly of corn, amounted to 1,922,078 pounds valued at £30,440 as compared with 2,836,836 pounds valued at £64,382 in 1937. Here again, although there was a considerable drop in total imports under this heading, Canada increased her shipments to 1,062,909 pounds valued at £13,691 from 900,700 pounds valued at £11,927 in 1937. The most serious decline occurred in imports from the United States, 370,352 pounds in 1938 from 1,355,328 pounds in 1937. Other countries supplying small quantities under this heading were Italy, Holland, and France. An effort was made by local producers to obtain increased tariff protection on sweet corn, but this was not successful. The effort will no doubt be renewed again next year. Doubts are expressed as to whether or not climatic conditions are such as will enable the Union to grow a satisfactory type of sweet corn for canning purposes. Exporters are also reminded that in so far as green peas are concerned the imported product, especially in the smaller size, is generally considered superior to the local pack. Until quality improves, therefore, there will continue to be a demand for the imported article.

TREND OF TRADE

Increased duties and a change from an ad valorem to a specific duty basis have recently been put into effect on a large number of items in the South African customs schedule, but these are not of a nature to seriously influence any of Canada's major exports to the Union. There are reasons for believing that, as pointed out in a recent tariff report, several of these changes will, in effect, be favourable to Canadian products.

The trend of Canadian trade in South Africa is towards expansion; each year a greater number of Canadian manufacturers become interested in the South African market, while many of them find their sales to South Africa steadily increasing.

The trouble in the Far East has induced many manufacturers' representatives of Japanese goods to seek sources of supply in Europe and in North

America. Merchants who have been content to purchase products from Japan are now desirous of being placed in touch with other sources of supply.

The unsettled conditions in Europe are having a similar effect, while the general rearmament campaign has diverted business in many steel products from European countries to Canada and the United States.

The variety of products imported for the use of the Union's secondary industries continues to expand. These include material, such as glue, for the rapidly developing wood-using industry; raw rubber for motor-car tire factories, and wire and board for new box factories. Imports of pulp for the new paper industry will continue to increase from now on.

Imports generally into South Africa during 1939 are expected to be about the same as in 1938 or possibly lower. Building materials, however, are expected to show an increase over the volume in 1938.

INDIAN MARKET FOR MOTOR VEHICLES

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.36 Canadian)

Calcutta, June 23, 1939.—The Indian market for motor cars and commercial vehicles was much less active in the fiscal year ended March 31 last than for several previous years. The trade in passenger cars was valued at Rs.21,710,382 as compared with Rs.29,824,513 in 1937-38, while that in buses, vans, and lorries declined from Rs.20,684,535 to Rs.11,840,752.

The following table shows the principal details of this trade during the last five fiscal years:—

Imports of Motor Vehicles into India, 1935 to 1939

	1935	1936	1937	1938	1939
			Thousands	of Rupees	
Passenger cars:					
Total	25,922	25,128	24,293	29,825	21,710
United Kingdom	12,373	12,686	12,218	12,850	10,182
United States	9,337	7,392	7,556	9,452	6,446
Canada	3,321	3,820	2,116	2,784	1,824
Germany	246	702	1,572	3,607	2,211
Italy	441	330	477	426	481
Other countries	204	198	354	706	566
Commercial vehicles:					
Total	12,099	11,989	13,106	20,685	11,841
United Kingdom	2,549	3,087	3,315	4,692	1,884
United States	6,755	5,454	6,790	12,245	6,799
Canada	2,562	3,082	2,320	2,696	2,772
Other countries	233	366	681	1,052	386

The marked decline in the motor vehicle trade during the last year can be ascribed to some extent to the shipment direct to Rangoon of a part of Burma's imports which had previously been transhipped at Indian ports. It is also due both to a general economic recession, which has been apparent throughout India for some time past, and to the abnormal activity of the trade in the preceding year. Other noteworthy features of the import figures are the continued preponderance of the United States as a supplier of commercial vehicles, the substantial improvement in Canada's share of the same business, and the rapid increase in imports of German passenger cars.

IMPORTS FROM CANADA

Motor vehicles make up a large proportion of the total value of India's imports from Canada. During the year ended March last, the combined value of the trade in passenger cars and commercial vehicles, apart from that in

parts, accessories, and tires was Rs.4,596,292. Total imports of Canadian products during the same year were valued at Rs.9,086,344. The motor vehicle trade accordingly comprised 50·6 per cent of this figure.

From the viewpoint of Canadian export trade, the Indian market is an important outlet for these products. Canadian export statistics show that India was Canada's fourth largest customer during the fiscal year 1937-38 and was exceeded in importance only by Australia, New Zealand and South Africa. In view of the fact that the United Kingdom is accorded a preference of 7½ per cent ad valorem on all classes of motor vehicles, the maintenance of this business by Canadian exporters constitutes a tribute to the quality of their products.

CONDITIONS IN SWEDEN IN 1938

RICHARD GREW, CANADIAN TRADE COMMISSIONER

(One Swedish krona equals approximately \$0.25 Canadian; 1,000 kilos or one metric ton equals 2,204 pounds)

Oslo, June 24, 1939.—The economic position of Sweden at the end of 1938 was somewhat better than was anticipated at the beginning of the year when there were numerous signs of approaching depression. The results of the year's activity could not be compared with those of 1937, when conditions could fairly be described as of boom proportions. Yet, despite a slowing down of industrial activity and a rather serious decline in some of the export industries, the year on the whole was a satisfactory one for Sweden.

During the first half of the year the recession trend increased, but conditions gradually became more stable during the late summer and autumn and signs of improvement were evident as the year came to a close. While the level of production was not maintained at the 1937 figure, the decline was not very pronounced. Prices and turnover were also lower, but here again the reductions were not of a serious nature.

According to the figures compiled by the Social Board, employment fell sharply in the first quarter of 1938. Improvement, however, was evident from the beginning of spring, and continued for the remainder of the year. The index of average employment for the whole year was 3·53 (3·00 is a fair volume of employment and 4·00 is good). On the other hand, the index number of production compiled by the Federation of Swedish Industries reached its lowest point during the period August-October, after which there was a slight improvement. Among the leading industries concerned, the situation was worst in the timber, pulp and paper industries. In the iron and steel, engineering, and foodstuffs industries it was satisfactory. Building operations were carried out on an extensive scale during the entire year.

The total value of exports declined by about 8·1 per cent as compared with 1937, the chief contributing factor being the decline in timber and pulp exports. Although changes occurred in other commodity groups as well, their combined export value did not show any reduction.

The value of imports declined only 2·6 per cent as compared with the previous year. The textile and metal groups showed the largest shrinkage. The import surplus, which amounted in 1937 to 123 million kronor, rose in 1938 to 229 million kronor. The results from shipping were not as satisfactory as in 1937. The freight market was weak throughout the year and at times a considerable portion of the merchant fleet had to be laid up owing to a scarcity of cargoes. Viewed as a whole, agriculture had a successful year, particularly grains; wheat, barley, and oats all showed larger returns.

BANKING AND MONEY MARKET

The Swedish official discount rate remained unchanged throughout the year at 2½ per cent. The yield from long term bonds, however, continued for the first six months of 1938 to show a falling tendency. The effective average yield on the Swedish Government 3 per cent loan of 1934, which was 2·72 per cent in January, reached a minimum figure of 2·18 per cent in June, but subsequently rose to 2·46 per cent in December as a result of the increased political unrest.

No change occurred in the exchange policy of the Riksbank. As during the four immediately preceding years, the Swedish krona was kept, practically speaking, at a fixed relation to the pound sterling. During the second half of the year, when the pound fell in terms of the dollar, and, as a result, in terms of gold as well, the Swedish krona followed suit. The Swedish krona fell from about 57 per cent of the gold value in December, 1937, to 53 per cent in December, 1938.

The foreign business of Swedish banks underwent considerable change in certain respects during 1938. For one thing, the combined foreign exchange reserves fell by 217 million kronor during the year. The decline, however, exclusively affected the Riksbank and is to be viewed in the light of the bank's gold purchases abroad. The gold reserves increased by 168·5 million kronor, of which a small proportion consisted of Swedish gold. Nevertheless, the value of the gold bought abroad exceeded, in terms of paper kronor, the decrease in the foreign exchange reserves.

The financial position of Sweden at the end of 1938 as compared to the twelve months previously may be judged from the following figures:—

	Dec. 31, 1937	Dec. 31, 1938
	Million Kronor	
Gold reserve	538·7	707·2
Foreign exchange	983·7	750·5
Domestic advances	38·2	50·0
Note circulation	980·1	1,060·7
Current account deposits in commercial banks . . .	434·1	427·9

The size of the exchange reserves in the commercial banks was practically the same at the year end as at the beginning. The September crisis, however, caused an influx of flight capital which found its way mainly to the banks' deposit accounts and to a corresponding extent increased the supply of foreign exchange. Transactions intended to cover exchange risks in connection with the crisis had a similar effect. The visible consequence of this was a heavy expansion of the commercial banks' foreign indebtedness. The net volume of debts fell again rapidly after the crisis had passed.

Both deposits and advances continued to increase throughout the year, as will be seen in the following table:—

	Dec. 31, 1937	Dec. 31, 1938
	Million Kronor	
Deposits	3,990·0	4,260·1
Advances:		
Loans and credit	2,944·9	3,175·2
Bills of exchange	1,144·7	1,163·1
Excess of advances	90·6	78·3
Excess of debts to foreign countries	46·0	39·8

The rise in deposits and advances was on practically the same scale, and the year closed, as in 1937, with a fairly small excess of advances. Cheque accounts were primarily responsible for the increase in deposits, while the increase in advances was mainly accounted for by loans against promissory notes and chiefly such as were secured by mortgages.

SECURITIES

The trend of prices on the Stockholm Stock Exchange was predominantly weak or unsettled during the spring months of the year, a certain measure of

recovery occurring in the second half of the year. By the end of 1938 the price level was about 5 per cent above that of a year previously. The trend, however, was not uniform throughout all groups of shares. Shares of firms engaged purely in saw-milling fell by 3 per cent, and shares of shipping firms by 2 per cent. On the other hand, shares of companies combining several branches of forestry industries advanced by 16 per cent, while those of non-exporting firms, engineering works, and banks increased by 7 per cent, 6 per cent, and 2 per cent respectively.

The total foreign trade in securities increased slightly as compared with the previous year. The proportion of foreign securities in the import figure was considerably larger, while the opposite was the case in regard to the export figure.

AGRICULTURE

The 1938 harvest was, generally speaking, above the average and in the case of certain crops more abundant than the previous harvest. The following table gives the latest estimates for the 1938 harvest together with comparative figures for 1936 and 1937:—

	1936	1937	1938
	Figures in Metric Tons		
Autumn wheat	467,500	578,600	681,800
Spring wheat	121,300	121,400	139,700
Autumn rye	343,300	399,300	390,600
Spring rye	17,200	13,500	14,200
Barley	200,300	206,600	266,500
Oats	1,202,500	1,265,300	1,380,800
Mixed corn	525,700	554,500	663,700
Peas	34,200	37,500	33,400
Potatoes	1,805,700	1,887,100	1,872,600
Roots	2,762,000	2,658,600	2,588,200
Hay	5,443,700	6,052,500	5,882,400

As will be seen from this table, the main increase was in wheat, barley, oats, and mixed corn. Although there was some extension of the area sown to these crops, particularly of wheat and barley, the increases in production were primarily due to a larger yield per acre. The slight reduction in the rye crops was entirely due to a reduced acreage. As regards potatoes, roots, and hay, a decrease in yield per unit was the decisive factor.

INDUSTRY

Industrial activity throughout 1938 varied in different industrial groups. Those which suffered the greatest decline were the important timber, pulp and paper industries. Before the beginning of 1938, a weak tendency was evident in the timber industry, and it continued throughout 1938. The volume of sales was small during the spring, but showed some improvement in the summer and autumn. In spite of the reductions in export quotas adopted by the European Timber Exporters' Convention, the price level for red woods was weak. The decline for white woods was less severe and occurred during the first half of the year. This resulted in a more normal price ratio between red woods and white woods than has been the case in recent years.

TIMBER

Timber shipments declined sharply as compared with 1937, the decline amounting to about 22 per cent. Purchases of Swedish timber by all principal importing countries, except Denmark and the Netherlands, showed a considerable falling-off. Towards the end of the year there was a certain measure of improvement, resulting in a slight recovery of prices.

PULP

The pulp market was very unsatisfactory. Only a few new contracts were concluded during 1938 and, for the most part, these were in conjunction with the conversion of earlier contracts at less favourable prices from the suppliers' point of view. As the 1938 output was virtually sold by the beginning of the year, sales during the year under review were primarily for shipment during 1939. In spite of a considerable voluntary restriction of production by European producers of sulphite pulp, the price level was weak throughout the year. Prices of sulphate and mechanical pulp also showed a downward tendency. The volume of exports, converted into dry weight, dropped by more than 22 per cent. The decline was greatest in the case of sulphate pulp, amounting to 25 per cent, and smallest in that of mechanical pulp at 15 per cent.

IRON AND STEEL

The situation in the iron and steel industry during 1938 can be regarded as satisfactory on the whole. A slight tendency towards weakness occurred in the earlier months, but this gave way to increased activity in the second half of the year. Production was fairly well maintained. The output of pig iron actually increased as compared with 1937 and exceeded that of any year since the world war. On the other hand, the production of semi-manufactured goods fell by 12·4 per cent. This decrease was largely confined to quality castings. For ordinary castings the decline was relatively unimportant. The production of commercial iron showed an increase of 9·5 per cent.

The prices for certain kinds of iron declined during the year. However, the price level was firm in the later months and at the end of the year the supply of orders on hand was considered good.

TEXTILE

In the textile industry conditions were unsatisfactory until towards the close of the year when an increased supply of orders created a better feeling. As the year came to an end most factories were fully employed, particularly the jute and linen trades. Improvement was also recorded in the cotton and woollen factories. The group including leather, hair, and rubber showed, on the average, some decline, but in most branches conditions could be regarded as favourable, and the supply of orders at the year end was normal.

EMPLOYMENT

Although conditions in the labour market, on the whole, were not so good as in 1937, and even less favourable than in 1935 and 1936, they may be regarded as having been fairly satisfactory so far as industrial employment is concerned. As already noted, the employment figure compiled by the Social Board was 3·53 for the whole year, denoting a volume of employment considerably above the average. (The figure 5 denotes a very good state of employment, 4 good, 3 fair, 2 poor, and 1 bad). The quarterly figures were 3·45, 3·51, 3·53, and 3·63 as compared with 4·01, 4·10, 4·06, and 3·80 respectively for 1937. It will be seen from these figures that employment improved steadily during the year, the rise being particularly marked during the last quarter. The unemployment figures in the trade unions showed a normal rise in the autumn, but the trend was more favourable than in the corresponding period of 1937.

NETHERLANDS COMMODITY MARKETS IN 1938

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

III

(One florin or guilder equals \$0.53½ approximately at current rate of exchange; one metric ton equals 2,205 pounds; one metre equals 39.37 inches; one cubic metre equals 35.314 cubic feet.)

HIDES, SKINS, FURS, AND LEATHER

Tanning is a well established Netherlands industry, and there is a considerable import of raw hides for factory needs. There are also large exports of the hides of domestically raised animals.

HIDES

Imports of raw salted hides amounted to 13,989 tons (fl.5,793,000), chiefly from Argentina. Canada shipped 32 tons (fl.18,250) as against 347 tons (fl.187,000) in 1937. Arrivals of dried non-European hides amounted to 3,291 tons (fl.1,965,000). Imports of Java cow hides declined, as did those of Java buffalo hides. Horse hides declined to 2,238 tons (fl.609,000), of which the chief quantity was supplied by France. Exports of this variety are even greater, as is also the case for cattle hides, n.o.p. Cali hide imports were 7,176 tons (fl.5,109,000), mostly from France. Imports of sheep and goat skins advanced, though the value of the former was less.

FURS

Imports of undressed skins were less than in 1938, amounting to 77 tons (fl.1,031,000). Great Britain is the main source of supply, followed by Norway, Belgium, and the United States. Trade is done chiefly on the London fur auctions, although recent attempts have been made to organize fur sales in The Hague. Interested Canadian firms have been invited to communicate with the office of the Canadian Trade Commissioner at Rotterdam.

LEATHER

Upper leather and glove leather are subject to quota restrictions in so far as imports are concerned.

Sole Leather.—Arrivals of vegetable tanned sole leather declined to 40 tons (fl.49,000); exports are about nine times this amount. Domestic tanneries take care of most of the local market.

Upper Leather.—Imports of Java cow leather also decreased somewhat, being 288 tons (fl.692,000). Box calf and suede leather totalled 124 tons (fl.643,000), of which Canada shipped a small quantity valued at fl.1,502. Exports of this variety, however, are far larger, being valued in 1938 at fl.5,000,000.

Sheep, Horse and Goat Leather.—In the trade returns these are combined, and 373 tons were brought in (fl.2,115,000), coming mainly from the United States, France, Germany, and Great Britain. Canada shipped 2 tons (fl.6,170), and probably more business could have been done were horse hides not subject to quota.

Patent Leather.—There were 40 tons (fl.185,000) imported in 1938. Germany and the United States supplied 17 tons each.

Lining Leather.—The volume of imports of this item advanced, although the value declined. France forwarded 370 tons (fl.681,000) of the total imports, which amounted to 408 tons at fl.794,000.

Chamois Leather.—Arrivals declined to 18 tons (fl. 188,000), of which Great Britain and Belgium shipped the principal quantities.

Belting Leather and Leather for Technical Purposes.—Imports of this item also showed a decrease, falling to 111 tons (fl.179,000). Exports are greater.

LEATHER FOOTWEAR

There is considerable domestic manufacturing of leather footwear, so that imports remain at about the same level. Arrivals in 1938 amounted to 414,156 pairs (fl.1,246,000), coming mainly from Czecho-Slovakia, Switzerland, Great Britain, and Germany.

RUBBER FOOTWEAR

Due mainly to quota restrictions, imports of rubber footwear have declined considerably from 1937 totals. During the current year 433,655 pairs (fl.405,000) were imported into Holland. These included high rubber boots for fishermen, tennis shoes, rubbers and sports shoes mainly composed of rubber. There were 2,417 pairs (fl.9,229) imported from Canada, principally high rubber boots for fishermen. Canada could easily sell large quantities of these in Holland were entries freely admitted. Some boots of this type are produced locally but are much below the standard of the Canadian product. Imports of rubber footwear during the past two years are shown in the following table:—

	1937		1938	
	Pairs	Fl. 1,000	Pairs	Fl. 1,000
Total.	618,312	628	433,655	405
Germany	149,664	101	121,694	83
Belgium	62,821	36	84,102	31
United Kingdom	21,500	33	14,258	24
Czecho-Slovakia	154,918	201	130,441	154
Norway	5,604	17	4,627	17
Sweden	13,445	30	8,845	19
Poland	175,676	157	60,580	52
Canada	9,985	32	2,417	9
United States	3,509	12	3,044	11

LEATHER GLOVES

Incoming shipments of leather gloves decreased from 82,222 dozen pairs (fl.1,231,000) to 66,568 dozen (fl.961,000). Chief arrivals are from Czecho-Slovakia and France and include dress gloves as well as leather gloves for cyclists and workmen. Canada's share is small, declining from 2,265 dozen pairs (fl.26,234) in 1937 to 1,126 dozen pairs (fl.13,187). Supplies from the Dominion are principally motor cyclists' and workmen's gloves. There is keen competition in these lines from Sweden and Norway, although particulars are not shown in the trade returns. Gloves must be of a good appearance and low in price to enter this market. The following table shows imports during the past two years:—

	1937		1938	
	Doz. Pr.	Fl. 1,000	Doz. Pr.	Fl. 1,000
Total.	82,222	1,231	66,568	961
Germany	3,151	62	2,616	55
Belgium	3,899	68	4,222	66
United Kingdom	5,501	93	3,012	51
France	4,438	61	13,561	191
Czecho-Slovakia	30,604	501	29,595	424
Italy	16,390	212	6,972	82
Japan	10,495	107	411	4
Canada . . . . .	....	....	1,126	13
United States . . . . .	....	....	1,758	29

LADIES' LEATHER BAGS

Arrivals in 1938 totalled 389,000 valued at fl.819,000, principally from Germany, Belgium, Czecho-Slovakia, and France.

OTHER LEATHER PRODUCTS

Under this miscellaneous item there were 182 tons (fl.731,000) brought into Holland. Main quantities came from Germany, Belgium, Great Britain, and Czecho-Slovakia. Canada shipped one-half ton of these goods (fl.1,927).

TEXTILES AND TEXTILE PRODUCTS

The importation of most types of dress goods and allied articles is strictly controlled through quota regulations. Piece-goods from Canada cannot meet current prices, and trade has been limited to two or three items. Holland has large woollen and cotton industries, and exports greatly exceed imports. There is considerable competition from neighbouring countries such as Great Britain, Germany, and Belgium. Some special lines from Canada could be sold in this market were it not for the restrictions on imports, for instance, dresses, lingerie, hosiery, and underwear.

USED JUTE SACKS

This item is of interest to Canadian exporters. The demand is principally for used sugar bags which have been cleaned and reconditioned. Arrivals from the Dominion in 1938 amounted to 26 tons (fl.5,000). In former years Canadian shipments were considerably higher, amounting in 1935 to 1,111 tons (fl.127,000). Fairly large quantities of these sacks are used for packing fertilizers, coal, coke, etc. The main suppliers during the past two years were as follows:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	18,905	3,157	17,683	2,533
Germany	131	21	87	12
Belgium	3,038	411	3,826	498
United Kingdom	12,066	1,992	9,981	1,386
France . . . . .	....	....	324	35
Sweden . . . . .	....	....	71	9
Denmark	81	13	529	53
Canada	156	31	26	5
Argentina	1,688	363	1,566	289
United States	821	214	892	201

OILCLOTH AND LINOLEUM

Arrivals of oilcloth in 1938 amounted to 1,645 tons (fl.1,470,000). Great Britain, the United States, Belgium, and Germany are the principal sources of supply. Linoleum imports were 512 tons (fl.237,000), Great Britain and Germany each being credited with approximately 50 per cent. Exports of linoleum are much greater, being 3,048 tons (fl.1,385,000).

OUTER CLOTHING

Although imports of most lines under this heading are restricted by quota regulations, some specialized articles do not fall under this legislation. Garments made solely of rubber may be entered, and in 1938 Canada supplied two tons or 1,026 garments (fl.3,898). These include rain capes and rubber clothing for fishermen. Imports of knitted outer clothing and underwear are considerable, chiefly from Germany, Czecho-Slovakia, and Belgium. Canada supplied miscellaneous knitted goods to a value of fl.1,847.

SILK HOSIERY

A good sale of Canadian silk hosiery could be effected in Holland were it not for quota restrictions. Limited amounts have been allowed entry under special licences and have found a ready market. Arrivals from Canada were 153 dozen pairs (fl.2,628), plus an additional quantity valued at fl.2,300 brought in by post. Approximately two-thirds of the imports are supplied by Germany,

with lesser quantities from Italy, Czecho-Slovakia, and the United States. Total entries during 1938 amounted to 1,243,000 dozen pairs (fl.4,926,000).

UNDERWEAR

Arrivals were 31 tons at fl.185,000, principally from the United States, Great Britain, and France. Canada is credited with fl.2,991.

CORSETS AND BRASSIERES

Imports of these items in 1938 increased as compared with 1937, totalling 1,868,000 pieces (fl.2,062,000). Germany, Belgium, Great Britain, and the United States shipped the main quantities. In 1937 Canada shipped 1,990 corsets and brassieres (fl.3,000), but in 1938 this had increased to 6,644 (fl.8,312).

DRESSED FURS

Arrivals of dressed furs totalled 114 tons (fl.2,382,000). Great Britain, France, Germany, Hungary, and Belgium, in order of value, are the chief sources.

HATS AND CAPS

Canada forwarded approximately 20,000 caps and berets (fl.1,456) to the Netherlands markets. The main supplies, however, were drawn from Belgium and France. Ladies' hats are supplied principally by Germany and Great Britain, while men's hats come for the most part from Germany, Czecho-Slovakia, and Italy.

BUILDING BOARDS

The statistics include under one heading building boards made from gyproc, pulp, asbestos, magnesite, and other such materials. Total arrivals in 1938 advanced, although Canada's share declined. Sweden, Finland, the United States, and Great Britain are the main suppliers in the order named. Competition is very keen in this line and, as the demand is for lower grade boards, it is not always easy for Canadian shippers to meet it. Details of imports during the past two years are as follows:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	7,193	887	9,757	1,124
Germany	557	40	1,083	64
Great Britain	424	59	974	130
Finland	879	114	1,932	220
Norway	170	24	80	11
Sweden	2,626	358	3,466	452
Canada	631	83	478	66
United States	1,305	184	989	145

PAPER AND PAPER PRODUCTS

Paper products, with a few exceptions, are subject to quota restrictions. Certain specialty papers, writing paper, and lithographed material enter from Canada, arrivals of all types amounting to 20 tons (fl.11,000).

NEWSPRINT

Total imports remained at approximately the same level as in the previous year, amounting to 15,105 tons (fl.1,456,000). Of this quantity Germany forwarded 5,125 tons; Norway, 4,735 tons; and Finland, 3,006 tons. Newsprint is manufactured in Holland by one large firm which has contract agreements to supply the most important consumers.

PRINTING AND WRITING PAPER

Printing and writing paper are incorporated with cardboard arrivals and subdivided as to whether they are produced from mechanical or free from mechanical pulp. Under the former heading, imports were 10,578 tons (fl.1,370,000), of which Germany supplied 8,169 tons (fl.1,061,000). Arrivals of the latter grade amounted to 7,641 tons (fl.1,727,000), although of this variety exports are in excess of imports. Canada forwarded 18 tons (fl.6,786) of bond paper, whereas exports to the Dominion were 69 tons (fl.20,000). Great Britain, Germany, and Norway are the leading countries of supply under this last heading.

WRAPPING PAPER AND CARDBOARD

Arrivals under this item decreased from 29,402 tons (fl.4,614,000) in 1937 to 19,659 tons (fl.3,096,000) during the period under review. Sweden supplied 8,977 tons; Germany, 6,803 tons; and approximately 1,000 tons each came from Finland and Norway. Current Canadian prices are not competitive. Total exports of this item are also considerable, being 15,131 tons (fl.2,023,000) in 1938.

CARBON PAPER

There were 124 tons (fl.199,000) of carbon paper imported in 1938. Germany is the chief supplier, followed by Great Britain, Austria, and the United States.

PAPER AND PRODUCTS N.O.P.

Miscellaneous paper and boards were imported to the value of fl.2,185,000. Under this item Canada is credited with supplies to a value of fl.1,114. Arrivals of paper bags were 984 tons (fl.306,000). Total imports of lithographs and etchings were 97 tons (fl.179,000), of which the principal amounts came from Germany and the United States. Canada supplied lithos to the value of fl.1,300.

MISCELLANEOUS FOODSTUFFS, TOBACCO AND SPIRITS

The following items include a number of Netherlands products which are exported in large quantities, such as cocoa powder, chocolate and spirits. There are, however, comparative large imports of all types of coffee, tea, sugar and tobacco.

SUGAR

Arrivals of cane sugar totalled 113,319 tons (fl.5,503,000), of which Netherlands East India shipped about 75 per cent. Imports of other white sugar advanced to 40,015 tons (fl.2,118,000) practically all from Netherlands East India. The United States is the principal source of bastard sugar supplying 3,623 tons out of a total of 4,051 tons.

CONFECTIONERY

There is not much demand for imported candy, and there is a well established domestic industry particularly for chocolates. There is a limited sale of bulk confectionery from Germany and Belgium, as well as a few lines from the United Kingdom and the United States. Canada supplied 1½ ton (fl.668).

TOBACCO

Holland makes a specialty of small light cigars, which are the most popular smoke in this country. The consumption of all types of tobacco is high, and imports of the raw product are necessary to meet the extensive demand of both the cigar and cigarette manufacturers. Principal imports are from the Netherlands East Indies, and in 1938 a total of 1,436 tons of Sumatra tobacco and 9,715 tons of Java leaf were brought in. Of the American type tobacco

there were 65 tons of seedleaf, 552 tons of Maryland, 3,378 tons of Kentucky, 148 tons of Burley and 4,691 tons of Virginian. Arrivals of Cuban tobacco amounted to 400 tons, of Brazilian 4,204 tons, Paraguayan 542 tons, and miscellaneous American tobacco 63 tons. Of the European types there were 753 tons of Bulgarian, 1,190 of Grecian and 850 tons from miscellaneous countries. Turkey supplied 1,054 tons.

Some small shipments of Canadian tobacco have been received, amounting to 2 tons (fl.660) in 1938.

Made-up tobacco imports in 1938 amounted to 553,000 cigars and 478,000,000 cigarettes. Of the latter, Egypt furnished 182 million, the United States 152 million, and Great Britain 126 million. Exports of Netherlands cigars were valued at fl.871,000.

WINES, SPIRITS AND BEER

There is a large per capita consumption of beer in Holland. Brewing is an important industry, and exports are far in excess of arrivals. Among spirits, the best known drink in this country is the so-called Dutch gin, which is sold in the cafés at about one-quarter the price of whisky. The Netherlands imports considerable whisky—to a value of fl.157,000 in 1938—mainly from the United Kingdom, and there is a limited distribution of Canadian brands.

CANNED SALMON

Canned salmon imports are chiefly from Japan, with lesser but important quantities from the United States. In 1938 the volume of traffic increased slightly, totalling 2,498 tons (fl.630,000), of which Japan supplied 2,025 tons (fl.448,000), the United States 312 tons (fl. 130,000) and Great Britain 97 tons (fl.38,000). Canada's share was 13 tons (fl.3,029) in 1938 as against 5 tons (fl.1,621) in 1937. As may be noted from the foregoing figures, the demand is principally for the cheaper varieties furnished by Japan. The main factor in the market is price rather than quality, partly due to high import duties.

CANNED LOBSTER

Incoming shipments of canned lobster and crab, which are combined in the official statistics, were 126 tons (fl.100,000), a slight decline from the 1937 totals. Of this amount, Japan sent 74 tons (fl.46,000); Great Britain, 38 tons (fl.43,000); Belgium, 5 tons (fl.4,730); and the United States, 4 tons (fl.2,619). Imports from Canada advanced from 3 tons (fl.1,557) in 1937 to 4 tons (fl.3,578) in 1938. The sale of Canadian canned lobster is small, as the product is not in great demand, due to relatively high prices.

OTHER CANNED FISH

Imports of sardines advanced to 489 tons (fl.208,000), Portugal, France and Norway being the leading shippers.

Pilchard arrivals totalled 851 tons (fl.157,000), of which Japan supplied 574 tons (fl.99,000) and the United States 237 tons (fl.52,000).

SPECIALIZED FOODSTUFFS

Miscellaneous packaged foodstuffs were imported to the amount of 572 tons (fl.443,000), chiefly from Great Britain. Under this heading there were also 6 tons (fl.1,837) from Canada, as against the 1937 figure of 10 tons (fl.3,200). It is possible that this includes some of the arrivals of tomato ketchup and sauces in bottles for table use.

BISCUITS

Two tons (fl.1,343) of biscuits were imported from Canada in 1937, but there were no recorded shipments in 1938. Imports totalled 195 tons (fl.97,000), of which 64 tons were from the United States, 62 from Belgium, and 59 from Great Britain.

ECONOMY AND COMMERCE OF SALVADOR

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

II

INDUSTRIES

Mexico City, May 26, 1939.—Salvador is fundamentally an agricultural country; but industry has been developed to a considerable extent at the expense of imports, with a view to lessening the country's dependence upon coffee for prosperity.

One of the principal industries is the making of bags from the local henequen, or sisal fibre. It is the monopoly of one factory, which produces bags covering the requirements of the coffee trade, production being in the neighbourhood of 1,200,000 bags per annum. However, henequen bags are not so suitable for sugar as jute bags, and imports of the latter for the sugar trade have doubled since 1933, and in 1937 amounted to 146 metric tons valued at 97,000 colones. This bag factory also produces carpets, rugs, curtains, hand-bags and other articles from henequen.

The cotton textile industry is comprised of three mills producing the cheaper qualities of suitings, towels, quilting, and table-cloths. One of these also produces shirtings and cuts the material. The output of this latter mill is stated to be some 72,000 dozens. Cotton yarn is manufactured from locally grown cotton, and four factories within the country supply practically the entire requirements of the cloth mills.

The country's requirements of flour are produced almost entirely within the country by several modern mills. Wheat is imported under a duty of U.S.\$5.20 per 100 kilos, but it is hoped that the production of home-grown wheat will shortly be sufficient to avoid dependence upon imports.

The manufacture of pottery is an old industry. Much of it is of a primitive kind, but there has been erected within the past year a modern plant producing good quality table and kitchen ware, filters, vases, etc.

One factory supplies the entire country's demand for straw hats, and also makes cheap felt hats and sun helmets. The total output in 1937 is given as 116,173 hats.

Footwear is imported in negligible quantity. Only those who travel abroad and make their purchases there wear foreign-made shoes. The local product is manufactured from imported uppers and local sole leather, and a factory in Santa Ana supplies the country's demand for rubber heels.

Several factories are engaged in meeting the entire demand of the country for candles and soap. Production figures for 1937 show 563,000 candles and 329,285 pounds of soap.

Beer and aerated waters are produced by one brewery in San Salvador, taking care of the country's demands. In 1937 the output was stated to be 1,700,000 litres of beer and 4,620,000 bottles of aerated waters.

One factory supplies practically the whole demand for matches, in 1937 producing 9,249,000 boxes. There was a small import of wax matches from Italy.

Among the miscellaneous industries are two cigarette factories, heavily protected, with production in 1937 given as 1,963,000 packets. A small iron foundry manufactures, among other things, small spare parts for imported coffee and sugar machinery and motor cars, while another small factory is engaged in manufacturing cheap bone buttons. A lithographic firm in San Salvador has for many years been producing engravings.

FOREIGN TRADE

Since 1900 there have been only four years in which Salvador has had an adverse balance of trade, the last being 1927. In 1937 the favourable balance of trade amounted to 12.7 million colones, and not since 1924 had it been larger. This was due entirely to the record coffee crop of 1937, when imports were higher than the previous year by 5 million colones. The foreign trade of Salvador is largely dependent on the export of coffee. Coffee exports represented 89 per cent of the total value of exports in 1935 and 1936, and 91 per cent in 1937.

In the last three years the trend of trade has changed. Throughout this period the United States and Germany have been first and second respectively, as purchasers and suppliers, but their proportions of purchases and supplies have altered considerably. The United States took 26 per cent of Salvador's exports in 1934 and 48, 57, and 60 per cent respectively in 1935, 1936, and 1937; while Germany took 30 per cent in 1934, and only 13, 14, and 11 per cent in the next three years. As regards imports, the United States supplied 44 per cent of the total in 1934, and in the following three years 38, 38, and 40 per cent; while Germany's percentage was only 8 in 1934, and 25, 33, and 30 respectively in 1935, 1936, and 1937.

It will be observed from these percentages that in the trade between the United States and Salvador there has been a change from a balance to the United States to an unfavourable one of almost like amount, while in trade between Germany and Salvador there has been a reverse change of similar proportion. These trends undoubtedly have been due to two factors. First, the inconvenience of Germany's compensation trading has led Salvador's coffee dealers since 1935 to seek a market in the United States to replace that of Germany, previously the principal coffee purchaser. Secondly, the Aski mark discounts made Germany's prices attractive, so that purchasers were inclined to buy supplies from Germany.

IMPORTS

Imports in 1937 were valued at 26,040,000 colones as compared with 21,087,000 colones in 1936. Canada's share is given as 152,000 colones in 1937 as against 120,000 colones in 1936.

Cotton textiles accounted for almost one-sixth of the value of imports, or 4,038,000 colones in 1937 and 3,353,000 colones in 1936. In supplies of the finer grades of cottons the United Kingdom is well ahead of all competitors, but in 1937 Germany took second place, which had hitherto been held by the United States. Among suppliers of the coarser grades of calico the United States up to 1937 had always been first, but in 1937 Germany came to the fore and nearly doubled the figures of the United States. The United Kingdom, hitherto hardly a competitor, was a good third.

The next largest item of import in value is pharmaceutical products, exclusive of perfumes and cosmetics. These consist largely of proprietary medicines, and during the past two years have been supplied chiefly from Germany, the United States, and France. Up to 1936 the United States was the principal source of supply. The value of imports for 1937 was 912,000 colones as compared with 697,000 colones in 1936.

Third in value of imports for the year 1937 were motor-cars, undoubtedly due to the profitable coffee crop in 1936-37. The United States was the principal source of supply, and the value of cars imported was 785,000 colones as compared with 576,000 colones in the previous year. In 1938 the situation was influenced by the discount on Aski marks, which enabled a number of German-made cars from a United States subsidiary in Germany to be imported. Some small Italian cars have also been imported but their use is confined to the good roads in and near the capital. No British cars or motorcycles have been imported within the last few years.

Wheat followed motor-cars in order of importance in 1937. Most of the wheat purchases came from the United States, with a very small quantity from Argentina and Canada. Imports in 1937 amounted to 6,212 metric tons (779,000 colones) as against 3,779 metric tons (429,000 colones) in 1936.

Next in value were manufactures of iron and steel, covering a miscellaneous group of articles, large and small. Sixty per cent came from Germany, 32 per cent from the United States, and 3 per cent from the United Kingdom.

Sixth in value were dressed hides and skins, principally from Germany, followed by the United States. Gasoline in 1937 was seventh in value of imports, amounting in quantity to 7,029 metric tons (601,000 colones) as compared with 5,909 metric tons (546,000 colones). It is noteworthy that none of this was imported from Mexico. Similarly, all fuel oil came from the United States and Peru.

Miscellaneous manufactured goods, which cover manufactured articles not included in any other group or section, and comprising fancy goods, were supplied mainly by Germany and the United States. Another important import was cement, with a big increase in 1937 over the previous year owing to greater construction activity. Over 80 per cent of cement imports came from Germany. Internal combustion motors were supplied principally by the United States and Germany; chemical products, other than those under separate headings, mainly by the same two countries. Artificial silk textiles were imported from Germany, Italy, and France; linen drapery from Germany and the United States; electrical machinery and apparatus, 58 per cent from the United States and 25 per cent from Germany, followed by Switzerland. Other electrical materials were furnished by Germany and the United States.

EXPORTS

In 1937 exports were valued at 38,280,000 colones as compared with 24,727,000 colones in the previous year, and were composed almost entirely of coffee.

TRADING WITH THE UNITED KINGDOM: NEW PUBLICATION

With reference to the notice in *Commercial Intelligence Journal* No. 1847 (June 24, 1939), page 1026, the complete report entitled "Trading with the United Kingdom," which was published in *Commercial Intelligence Journal* Nos. 1840 and 1841 (May 6 and 13, 1939), is now available in pamphlet form. Copies will be sent to Canadian exporters, or others interested, on application to the Department of Trade and Commerce, Ottawa.

TENDERS INVITED

New Zealand

Copies of plans and specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington, New Zealand. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 36, Hamilton District, one 30-ton overhead travelling crane (tenders close September 26, 1939); Section 21, Hamilton District, 50 kv. outdoor switchgear and steelwork (tenders close October 10, 1939); Section 25, Hamilton District, 50 kv. outdoor switchgear and steelwork (tenders close October 10, 1939).

TARIFF CHANGES AND CUSTOMS REGULATIONS

Australia

CONTENT REQUIREMENTS FOR PREFERENCE

Canadian exporters to Australia are reminded that goods from Canada to be entered into Australia under the British preferential tariff must have a certified content of Canadian and/or Australian material and/or labour. In this respect Australian preference regulations differ from those of most other British countries which permit the qualifying content of goods accorded preferential treatment to be made up of material and/or labour of any part of the British Empire. In the case of Australia, no material or labour of any part of the Empire other than Canada or Australia may be included when calculating content in Canadian goods to qualify them for entry under the British preferential tariff.

In general, the required Canadian and/or Australian content is 75 per cent of the factory or works cost of the finished article, but a content of 25 per cent suffices for a considerable variety of goods named in an official Australian Customs list as being "of a class or kind not commercially manufactured in Australia." A few articles are specified for British preferential entry if having 50 per cent Canadian and/or Australian content.

There is also provision in the Australian regulations for the admission of goods at British preferential rates if they are "wholly" produced or manufactured in Canada under specified conditions.

All goods from Canada to be entered under the British preferential tariff must have the final process of manufacture performed in Canada and must be consigned direct from Canada to Australia.

Australian preference conditions as affecting Canadian goods are set out in Leaflet No. 3E, issued by the Foreign Tariffs Division of the Department of Trade and Commerce, Ottawa, copies of which may be had on application.

Straits Settlements

NEW POISONS ORDINANCE

With reference to the notice in *Commercial Intelligence Journal* No. 1834 (March 25, 1939), page 433, Mr. K. F. Noble, Assistant Trade Commissioner at Singapore, advises under date June 20 that a new Poisons Ordinance, controlling the importation into and distribution and sale of drugs and proprietary medicines within the Straits Settlements will become effective as from January 1, 1940. In general, the new ordinance follows closely the Poisons Ordinance of the United Kingdom.

Belgium

INCREASED TAX ON IMPORTED GOODS

Mr. Yves Lamontagne, Canadian Commercial Attaché at Brussels, reports under date July 5 that a royal decree published in the *Moniteur Belge* of the same date provides for an increase in the rate of the transmission (sales) tax payable on imported goods from 2.5 per cent to 2.75 per cent. By virtue of the same decree the luxury tax which applies to a restricted list of goods, in lieu of sales tax, is increased to 7.5 per cent for goods previously subject to a 7 per cent tax and to 10 per cent for goods previously taxed at 9 per cent. These taxes are calculated on the basis of the duty-paid value of the goods.

TARIFF ON PAPER INCREASED

(Belgian franc equals 3·41 cents; 100 kilograms equal 220·4 pounds.)

Mr. Yves Lamontagne, Canadian Commercial Attaché at Brussels, reports that under a Belgian royal decree of June 12, 1939, published in the *Moniteur Belge* of June 20, a general reclassification and upward revision of duties on practically all classes of paper and paper products has been made. In some cases, the new duties will not become effective until such time as certain trade agreements with various countries have been terminated, the rates at present in force being consolidated and guaranteed in these agreements. In other instances the new rates are applicable immediately.

Among the goods affected at once, a few items are of interest to Canadian exporters. A list of these is given below with indications as to previous and new rates:—

	Previous Rate Per 100 Kilograms	New Rate
Newsprint to be used for printing periodicals	9.20 francs	30 francs
Newsprint to be used for printing daily newspapers	9.20 francs	9.20 francs
Kraft wrapping paper weighing less than 40 grams per square metre	55.20 francs	65 francs
Kraft wrapping paper weighing 40 grams or more per square metre	37.40 francs	55 francs
Writing and printing paper, n.o.p., containing less than 10% of mechanical wood pulp weighing:		
Less than 200 grams per square metre	69 francs	85 francs
Between 200 and 300 grams per square metre	55.20 francs	80 francs
Insulating pulp board	27.60 francs	35 francs

Lithuania

DOCUMENTATION LEAFLET

A leaflet has been prepared summarizing the Lithuanian regulations in regard to certificates of origin and commercial invoices and containing the text of the certificate of origin now being used. Copies may be obtained by interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa.

Guatemala

TARIFF ON MATCHES REDUCED

With reference to *Commercial Intelligence Journal* No. 1848 (July 1, 1939), page 41, an amendment to the Guatemalan executive decree, effective July 2, reduces the rate of duty on matches, in bulk or packages, from 0·70 to 0·35 quetzal per kilogram (from 32 to 16 cents per pound) including the weight of the tin container. The rate of 0·70 quetzal per kilogram (32 cents per pound) remains in force on wax vestas, in bulk or packages.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES**Norway**

RICHARD GREW, CANADIAN TRADE COMMISSIONER

Oslo, June 30, 1939.—There are no official restrictions in Norway with regard to granting exchange in payment of bona fide commercial transactions. An agreement, however, exists between banks and merchants to restrict the latter's demands for foreign exchange, by curtailing imports to the ordinary requirements of the country. A committee appointed by the above parties is empowered to exercise a certain degree of control in order to prevent undue export of capital abroad. Exchange has been freely available to importers who limit their imports to normal requirements, and who confine their exchange transactions to their own banking connections.

Sweden

There is no special procedure which Swedish importers have to follow in order to obtain foreign exchange, except with regard to the few countries with which Sweden has clearing arrangements. Canada is not one of these.

Foreign exchange is readily available without restrictions or formalities.

Denmark

Foreign exchange is at present readily available in Denmark for the purpose of paying for imported goods—as a result of the present surplus of foreign exchange reserves—provided the importer is in possession of an import licence.

Import licences are required for most imports, and are especially difficult to obtain for ordinary Canadian imports, due to Canada's favourable balance of trade.

For goods on the unrestricted list, no exchange difficulties exist, though all payments are controlled by the authorities. For the transfer of funds out of Denmark, the permission of the National Bank is required also.

Finland

As there are no exchange restrictions in Finland, no difficulties exist with regard to obtaining foreign exchange for imports. In the case of the few countries with which Finland has clearing arrangements, and which do not include Canada, payments are effected through the respective national or special clearing banks.

Panama

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, June 30, 1939.—There is no form of exchange control in force in Panama nor is it likely that any such regulations will be required. Foreign exchange is freely bought, sold and remitted and there has been no shortage. Foreign and domestic trade have decreased somewhat during recent months due to the falling-off in tourist traffic, but on the whole commitments are being met satisfactorily. The unit of currency in Panama is the silver "balboa" which circulates freely at par with the United States dollar but quotations should be in United States or Canadian funds.

Nicaragua

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, June 30, 1939.—The exchange situation in Nicaragua continues to be critical. The method of operation of exchange control has been greatly simplified and import licences no longer are required by the Exchange Control Board. On the other hand, control has become more rigid, in effect, since foreign exchange is allotted weekly only by the Banco Nacional in co-operation with the Exchange Control Board and up to a sum not to exceed the amount of foreign exchange purchased by that bank during the previous week.

It is difficult to obtain foreign exchange to cover importations from Canada because Canada imports almost nothing from Nicaragua. It is suggested, therefore, that Canadian exporters exercise caution in accepting business in Nicaragua and possibly should require cash with order. However, in the case of merchandise which can be classified as a "necessity" or is for the use of a mining company, and providing business is transacted only with strictly first-class firms, business may be completed successfully and remittances received without undue delay. Foreign exchange allotted each week by the Banco

Nacional is available to importers for use within 10 days, so that remittance to Canada in the ordinary course of events should be received by the exporter within a month of the arrival in Nicaragua of goods and merchandise.

Venezuela

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, June 30, 1939.—Although the National Office for the Centralization of Exchange apparently is authorized to control rigidly foreign exchange transactions and foreign trade, to date these powers have not been exercised fully. At the present time the National Office for the Centralization of Exchange is limiting its activities to receiving all foreign exchange available, deducting from the total the amount needed by the Government, and allotting the remainder to the various commercial banks on a pro rata basis according to their current total requirements. There is plenty of foreign exchange available for ordinary commercial purposes and no difficulty is experienced in obtaining foreign exchange for remittance to Canada in respect of legitimate business transactions.

Colombia

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, June 30, 1939.—The exchange situation in Colombia remains unchanged, the Exchange Control Board, in co-operation with the Banco de la Republica, continuing to supervise and regulate strictly all foreign exchange transactions as well as import trade. Importers are required to apply for import licences and supply full details regarding each foreign trade transaction.

Import licences in the case of approved applications are issued in duplicate and consist of order forms bearing the endorsement of approval of the Exchange Control Board. The original will be sent by the importer to the exporter who will be unable to complete his consular invoices and documentation without it.

After goods have been cleared through the Colombian Customs, importers must re-submit to the Exchange Control Board their import licences accompanied by a request for permission to purchase the necessary foreign exchange to cover the transaction in question and remit it abroad.

Foreign exchange is allotted each week by the Exchange Control Board in strict rotation based upon date of application, and the total amount of foreign exchange allotted weekly for remittance abroad is not permitted to exceed the total amount purchased by the Banco de la Republica during the same week. Preference seems to be given to applications to purchase and remit foreign exchange in respect of raw materials, agricultural and industrial machinery, and other "necessary" items as compared with general merchandise.

While there have been cases of delays in obtaining payments for Canadian exports, these are found usually to be attributable to causes other than a shortage of foreign exchange. The balance of payments as between Canada and Colombia is considerably in favour of Colombia and ordinarily, therefore, there should be no unusual delay in respect of applications for exchange and remittance to pay for imports from Canada. Canadian exporters should keep in mind, however, the fact that there is always a delay in receiving payments from Colombia due to imperfect internal communications between ports of entry and the capital city, Bogota, and also due to the rotatory Exchange Control Board formalities to be observed. In dealing with importers of first-class standing remittances should go forward to Canada within 30 days of receipt of merchandise. Recently it has been made possible for imports to be paid for in full or in part in advance, providing the importer establishes with the Exchange Control Board a bank or cash guarantee amounting to 10 per cent of the total value of the merchandise specified in the relevant import licence.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 17, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 17, 1939, and for the week ending Monday, July 10, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 10	Nominal Quotations in Montreal Week ending July 17	Official Bank Rate
Belgium.....	Belga	.1001	\$.1703	\$.1701	2½
Bulgaria.....	Lev	.0072	.0121	.0121	6
Denmark.....	Krone	.2680	.2094	.2092	3½
Finland.....	Markka	.0252	.0205	.0206	4
France.....	Franc	.0392	.0265	.0265	2
Germany.....	Reichsmark	.2382	.4020	.4018	4
Great Britain.....	Pound	4.8666	4.6915	4.6883	2
Greece.....	Drachma	.0130	.0086	.0086	6
Holland.....	Guilder	.4020	.5321	.5339	2
Hungary.....	Pengo	.1749	.2956	.2954	4
		Unofficial	.1961	.1960	—
Italy.....	Lira	.0526	.0527	.0526	4½
Yugoslavia.....	Dinar	.0176	.0230	.0228	5
Norway.....	Krone	.2680	.2357	.2355	3½
Poland.....	Zloty	.1122	.1887	.1884	4½
Portugal.....	Escudo	.0442	.0427	.0427	4-4½
Roumania.....	Leu	.0060	.0071	.0071	3½
Spain.....	Peseta	.1930	.1104	.1104	4
Sweden.....	Krona	.2680	.2416	.2414	2½
Switzerland.....	Franc	.1930	.2259	.2257	1½
United States.....	Dollar	1.0000	1.0021	1.0014	1
Mexico.....	Peso	.4985	.1677	.1712	3
Cuba.....	Peso	1.0000	1.0017	1.0009	—
Guadeloupe.....	Franc	.0392	.0265	.0265	—
Jamaica.....	Pound	4.8666	4.7015	4.6983	—
Martinique.....	Franc	.0392	.0265	.0265	—
Other British West Indies.....	Dollar	1.0138	.9774	.9767	—
Argentina.....	Peso	.4245	.3128	.3125	3½
		Official buying	.2760	.2758	—
		Unofficial	.2325	.2323	—
Brazil.....	Milreis (Paper)	.1196	.0607	.0607	—
		Unofficial	.0503	.0513	—
British Guiana.....	Dollar	1.0138	.9774	.9767	—
Chile.....	Peso	.1217	.0518	.0518	3-4½
		Unofficial	.0401	.0401	—
Colombia.....	Peso	.9733	.5710	.5715	4
Peru.....	Sol	.2800	.1804	.1803	6
Venezuela.....	Bolivar	.1930	.3107	.3104	—
Uruguay.....	Peso	1.0342	.6173	.6169	—
		Unofficial	.3577	.3604	—
South Africa.....	Pound	4.8666	4.6800	4.6767	3½
Egypt.....	Pound (100 Piastres)	4.9431	4.8105	4.8067	—
China (Shanghai).....	Dollar	.....	.1272	.1264	—
Hongkong.....	Dollar	.....	.2885	.2885	—
India.....	Rupee	.3650	.3496	.3495	3
Japan.....	Yen	.4985	.2734	.2732	3.29
Java.....	Guilder	.4020	.5335	.5354	—
Siam.....	Baht (Tical)	.4424	.4299	.4296	—
Straits Settlements.....	Dollar	.5678	.5489	.5490	—
Australia.....	Pound	4.8666	3.7550	3.7500	3
New Zealand.....	Pound	4.8666	3.7700	3.7650	4

The Dominion Bureau of Statistics has supplied the following note:—

Touching its lowest quotation in more than a month, the United States dollar eased from \$1.00 $\frac{7}{32}$ on July 10 to \$1.00 $\frac{9}{64}$ on the 17th. Spot sterling rates likewise indicated an easier tendency during this period, and the closing figure of \$4.6883 showed a net loss of 32 points. French francs, though weakening slightly against the Canadian dollar, continued to maintain an exceptionally firm tone against sterling. The franc was quoted at 2.6525 cents on July 17 as compared with 2.6544 cents on the 10th. Rates on the Netherlands florin advanced sharply during the latter half of the week to 53.39 cents on the 17th as against 53.21 cents on July 10. The recently improved domestic political outlook was cited as the primary source of strength in the florin. Mexican pesos (unofficial) subsequently stiffened to 17.12 cents on July 17 from 16.77 cents on the 10th, following a relatively steadier market for foreign silver.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Fruits and Vegetables (Canned)	282	Birmingham, England.....	Agency.
Asparagus Tips (Canned).....	283	Melbourne, Australia.....	Purchase and Agency.
Miscellaneous—			
Laces and Elastics.....	284	Christchurch, New Zealand	Agency.
Fancy Goods.....	285	Bristol, England.....	Purchase or Agency.
Ladies' Novelty Wear.....	286	Bandoeng, Java, N.E.I....	Agency.
Small Toys.....	287	Bristol, England.....	Purchase or Agency.
Household Electric Appliances..	288	Birmingham, England.....	Agency.
Hardware and Small Tools.....	289	Bristol, England.....	Purchase or Agency.
Sheet Aluminium.....	290	Philadelphia, Pa., U.S.A...	Purchase.
Sheet Pewter.....	291	Philadelphia, Pa., U.S.A...	Purchase.
Relaying Rails.....	292	New York City, New York	Purchase.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Bedford, July 28 and Aug. 20; Montclare, Aug. 4; Duchess of York, Aug. 9; Montrose, Aug. 15—all Canadian Pacific; Andania, July 28; Antonia, Aug. 11—both Cunard-White Star Line; Vigor, Fjell Line, July 27.

To London.—Beaverdale, July 28; Beaverhill, Aug. 4; Beaverford, Aug. 11; Beaverburn, Aug. 18; Beaverbrae, Aug. 25—all Canadian Pacific; Ascania, July 28; Ausonia, Aug. 4; Alaunia, Aug. 11; Aurania, Aug. 18—all Cunard-White Star Line; Carmelfjell, July 26; Taborfjell, Aug. 9; Svaneffjell, Aug. 23—all Fjell Line; Prins Willem Van Oranje, July 24; Prins Mauritz, Aug. 5; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—all Oranje Line.

To Manchester.—Manchester Regiment, July 27; Manchester Port, Aug. 3; Manchester Citizen, Aug. 10; Manchester Progress, Aug. 17; Manchester Commerce, Aug. 24; Manchester City, Aug. 31—all Manchester Line; Vigor, Fjell Line, July 27.

To Avonmouth, Bristol, Cardiff and Swansea.—Norwegian, Aug. 19; Dakotian Sept. 6—both Cunard-Donaldson and Dominion Lines; New York City, July 26; Bristol City, Aug. 8; Boston City, Aug. 26—all Bristol City and Dominion Lines.

To Glasgow.—Athenia, July 24; Sulairia, July 28; Letitia, Aug. 4; Delilian, Aug. 11—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Consuelo, Aug. 3; Bassano, Aug. 17—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnesk, July 26; Cairnmona, Aug. 2; Cairnross, Aug. 9; Cairnvalona (also calls at Dundee), Aug. 16; Cairnglen, Aug. 23—all Cairn-Thomson Line.

To United Kingdom Ports.—Wearwood (calls at London), Aug. 3; Yorkwood, Aug. 10; Kirnwood, Aug. 15; Kingswood, Aug. 17; Briarwood (calls at London), Aug. 17; Windsorwood, Sept. 8—all Constantine Line.

To Belfast and Dublin.—Dunaff Head, Head Line, Aug. 8 (also calls at Londonderry and Cork).

To Hamburg and Bremen.—Beaverdale, Canadian Pacific, July 28 and Sept. 1 (does not call at Bremen); Bochum, Hamburg-American Line, Aug. 11; Koenigsburg, North German Lloyd Line, Aug. 25.

To Antwerp.—Beaverhill, Aug. 4; Beaverford, Aug. 11; Beaverburn, Aug. 18; Beaverbrae, Aug. 25—all Canadian Pacific; Brant County, Aug. 6; Eastern Star, Aug. 16—both County Line (also call at Havre); Carmelfjell, July 26; Taborfjell, Aug. 9; Svaneffjell, Aug. 23—all Fjell Line; Prins Willem Van Oranje, July 24; Prins Mauritz, Aug. 5; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—all Oranje Line.

To Rotterdam.—Hada County, Aug. 7; Grey County, Aug. 25—both County Line; Carmelfjell, July 26; Taborfjell, Aug. 9; Svaneffjell, Aug. 23—all Fjell Line; Prins Willem Van Oranje, July 24; Prins Mauritz, Aug. 5; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—all Oranje Line.

To Norwegian Ports.—Vigor, Fjell Line, July 27; Topdalsfjord, Aug. 7; Idefjord, Sept. 1—both Norwegian-American Line.

To Scandinavian and Baltic Ports.—Gripsholm, July 24; Kungsholm, Aug. 19—both Swedish-American Line; Stureholm, Swedish America Mexico Line, Aug. 16.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Noli, Aug. 1; Capo Lena, Aug. 19; Capo Olmo, Sept. 7—all Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—New Northland, July 24 and Aug. 7; Gaspesia, Aug. 2—both Clarke SS. Co. (call at Cornerbrook only); Belle Isle (calls at St. John's and St. Pierre-Miquelon), Newfoundland-Canada SS. Ltd., July 28 and Aug. 11; Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd., July 29 and Aug. 29.

To Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy, Aug. 5; Colborne, Aug. 19; Cornwallis, Sept. 2—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Cathcart (calls at Kingston only), July 28; Lady Rodney, Aug. 2; Cavalier (calls at Kingston only), Aug. 11; Lady Somers, Aug. 16—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Maud, July 29; Olympia, Aug. 26—both Ocean Dominion SS. Corp.

To Buenos Aires.—Tureby, Aug. 5; Tercero, Sept. 8—both International Freighting Corporation (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Port Montreal, July 25; Kaikoura, Aug. 25—both Montreal Australia New Zealand Line Ltd. (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—Port Saint John, Aug. 10; a steamer, Sept. 9—both Montreal Australia New Zealand Line Ltd. (also call at Napier).

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Tawali, Aug. 24; Mapia, Sept. 23—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Deido (also calls at Lour-enco Marques and Beira), Aug. 7; Calgary, Aug. 27—both Elder Dempster Lines Ltd.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Bath, Aug. 14; a steamer, Aug. 26—both Canada India Service.

From Quebec

To Southampton.—Empress of Britain, July 29 and Aug. 12; Empress of Australia, Aug. 3 and 19—both Canadian Pacific.

From Saint John

To Liverpool and Manchester.—Manchester Brigade, Aug. 12; Manchester Division, Sept. 2—both Manchester Line.

To London, Aberdeen, Newcastle and Hull.—Gitano, July 29; Kyno, Aug. 25—both Ellerman's Wilson Line.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Aug. 2; Lady Hawkins, Aug. 16; Lady Drake, Aug. 30—all Canadian National.

To Kingston and Jamaican Outports.—Zacapa, Aug. 2; a steamer, Aug. 16 and 30—all United Fruit Co.

From Halifax

To Liverpool.—Nova Scotia, Aug. 3; Newfoundland, Aug. 19—both Furness Line.

To St. John's, Nfld.—Fort Townshend (also calls at St. Pierre), July 24, Aug. 7 and 21; Fort Amherst (also calls at Cornerbrook), July 31, Aug. 14 and 28—both Furness-Red Cross Line; Magnhild, Newfoundland-Canada Steamships Ltd., July 24, Aug. 7 and 21 (also calls at St. Pierre and Newfoundland outports); Nova Scotia, Aug. 3; Newfoundland, Aug. 19—both Furness Line; Portia, Newfoundland Ry. and SS. Co., Aug. 2.

To Kingston, Jamaica.—Cathcart, July 31 and Aug. 28; Cavalier, Aug. 14—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, July 27; Lady Nelson, Aug. 10; Lady Hawkins, Aug. 24—all Canadian National; Maud, Aug. 3; Olympia, Aug. 31—both Ocean Dominion SS. Corp. (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, July 26; Chomedy, Aug. 9; Colborne, Aug. 23—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, July 26 and Aug. 23; Lille-mor, Aug. 9—both Pickford & Black Ltd. (also call at Jamaican outports as cargo offers).

To Far East Ports.—Silversandal, Aug. 6; Silveryew, Sept. 5—both Silver Line; Chinese Prince, Aug. 21; Javanese Prince, Sept. 21—both Furness-Prince Line.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, July 25; Hikawa Maru, Aug. 12; Hie Maru, Aug. 26—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls at Honolulu), Aug. 5; Empress of Asia (calls at Nagasaki), Aug. 19; Empress of Canada (calls at Honolulu), Sept. 2; Empress of Russia (calls at Nagasaki), Sept. 16—all Canadian Pacific; Tyndareus, July 29; Ixion, Sept. 2—both Blue Funnel Line (call at Miike but not at Manila).

To Shanghai, Weihaiwei and Dairen.—Rugeley, North Pacific Shipping Co. Ltd., about July 26.

To Pacific Islands, Southern Group (Apia, Suva, Lautoka, Levuka, Nukualofa, Haapai, Vavau, Vila, Santo and Noumea).—A vessel, Empire Shipping Co. Ltd., September.

To Honolulu, Suva, Auckland and Sydney.—Monowai, Aug. 2; Aorangi, Aug. 30—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia and Singapore.—Hoegh Silverstar (calls at Persian Gulf ports), July 29; Hoegh Transporter (calls at Saigon, Belawan Deli, Colombo and Bombay, will also call at Port Swettenham and Penang if sufficient cargo offers), Aug. 11; Djambi (calls at Colombo, Bombay and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Aug. 31—all Silver-Java Pacific Line.

To Papeete, Auckland, Wellington, Melbourne and Sydney.—Hauraki (also calls at Dunedin and Adelaide), Canadian-Australasian Line, Aug. 15.

To Brisbane, Sydney, Melbourne and Adelaide.—Goonawarra, Aug. 15; Kookaburra, Sept. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Dinteldyk, Aug. 5; Lochavon (also calls at Glasgow), Aug. 19; Lochkatrine, Sept. 2; Lochmonar (also calls at Glasgow), Sept. 16—all North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Lima, July 29; Pacific, Aug. 19; Balboa, Aug. 24; Annie Johnson, Sept. 7—all Johnson Line.

To Antwerp, Hamburg and Bremen.—Seattle, July 29; Tacoma, July 30; Portland, Aug. 10—all Hamburg-American Line; Este, July 30; Isar, Aug. 21—both North German Lloyd Line.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Wisconsin, July 23; Oregon, Aug. 8; Wyoming, Aug. 23—all Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Leme, Aug. 12; Fella, Sept. 9—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—Silverbelle, Aug. 8; Manoeran, Sept. 6—both Silver-Java Pacific Line (call at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Hopecrest, North Pacific Shipping Co. Ltd., late July.

To West African Ports.—A vessel, Jorgensen Shipping Company A/B, end of September (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi, and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Borgestad, about July 30; a steamer, late August—both Canadian Transport Co.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Hoyanger, July 26; Leikanger, Aug. 23—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

To Buenaventura and Guayaquil.—A steamer, North Pacific Shipping Co. Ltd., July (also calls at Mexican and Central American west coast ports).

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER. Address for letters—90 Queen Street. Office—Safe Deposit Office Building. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praça Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barelay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

J. C. MACGILLIVRAY, 801 Columbus-Haus, Potsdamer Platz 1, Berlin W. 9. (Territory includes Czecho-Slovakia and Poland.) *Cable address, Cantracom.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

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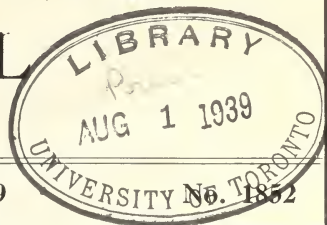
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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL



Vol. LXI

Ottawa, July 29, 1939



Grading Silver Fox Skins in a London Warehouse

Courtesy Hudson's Bay Company

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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Vol. LXI

Ottawa, July 29, 1939

No. 1852

RANCH-BRED FURS IN THE UNITED KINGDOM MARKET

A SURVEY BY THE CANADIAN TRADE COMMISSIONERS IN LONDON AND OSLO IN
COLLABORATION WITH THE FUR TRADE ADVISER IN LONDON
OF THE DEPARTMENT OF AGRICULTURE

1. The United Kingdom Fur Trade

THE LONDON FUR MARKET

London, July 14, 1939.—The importance of London as a raw fur market rests upon its pre-eminence as a centre for the entrepôt trade in raw skins. Raw furs reach London from every fur-producing country in the world. According to the best estimates between 25 per cent and 30 per cent of the total value of arrivals in English ports is absorbed by the domestic market and the remainder of between 70 per cent and 75 per cent is re-exported in the unfinished condition to other countries. London firms have been entrusted by their clients overseas with the work of disposing of their product to the best possible advantage; and buyers, not only domestic, but from all parts of the globe, come regularly to the metropolis to purchase their furs, in the knowledge that a free market exists, and that practically every variety and quality of furs is available.

The following table shows the total value of fur skins (other than rabbit and seal) imported into the United Kingdom, and of the same categories of skins re-exported from the United Kingdom, during the latest ten years for which figures have been published. The value of Canadian skins imported is given, but there is no way of ascertaining the proportion of Canadian skins re-exported. Comparative Norwegian imports are also included. The figures in the table, particularly for the period 1926-31, give a misleading impression, for which no adequate explanation can be given except that of a time lag between importation and re-exportation. The general relationship between the two branches of trade is as stated in the opening paragraph of this report.

United Kingdom Trade in Dressed Furs

(Except rabbit and seal)

	Total Thousands of Pounds	Imports		Re-exports Total Sterling
		Canada	Norway	
1926	7,525	1,427	2	7,858
1927	9,409	1,351	25	9,158
1928	9,638	1,614	11	9,075
1929	8,628	2,164	14	7,725
1930	6,227	1,572	14	6,173
1931	5,054	1,356	12	6,478
1932	6,278	2,079	12	5,416
1933	7,103	1,614	37	5,664
1934	7,827	1,930	54	5,392
1935	7,335	1,794	193	6,523
1936	10,242	1,790	486	7,662
1937	13,232	1,892	688	9,532

The United Kingdom trade returns do not further classify fur skins so that there is no information as to varieties.

The Canadian export returns, however, showed shipments to the United Kingdom of 155,986 silver fox skins valued at \$5,216,126 in 1936 and of 196,771 silver fox skins valued at \$5,825,225 in 1937. Even allowing for the discrepancies which affect the accuracy of official trade statistics it would appear that the silver fox is now the most significant item in the Canadian trade. For instance, expressed as a percentage of the total exports, the shipments to the United Kingdom of Canadian silver fox skins constituted 54·5 per cent of Britain's purchases of fur from the Dominion in 1936 and 54·3 per cent in 1937.

Fur skins (raw, dried, salted or pickled but not further treated) are on the free list of the United Kingdom tariff. The market is therefore devoid of any restrictions on imports from whatever source, and there is no preference accorded to skins of Empire origin.

STRUCTURE OF RAW FUR MARKET

The market for imported furs in London is grouped around the fur brokers. These concerns receive consignments from abroad and sell the skins on behalf of the shippers. They sometimes act, in so far as conclusions of sales and the fixation of price reserves are concerned, on the instructions of the shippers. In other cases they are given full discretion. Whatever course is taken the brokers work in the closest possible contact with the suppliers and keep them acquainted with the progress of events.

Cleaning, sorting and grading in preparation for sale are also very largely undertaken by, and at the discretion of, the brokers.

Sales are effected by public auction and by private treaty. No information is available with regard to the volume of business transacted by each method. Some brokers ordinarily sell twice as many skins at auctions as privately, while the reverse is true with other brokers. The state of the market also very largely conditions the methods of sale. When trade is active and the demand for furs is keen auction sales are the favourite means of disposal. It suits both buyers and sellers, and facilitates a quicker turnover. In times of depression when buyers' requirements are small and intermittent more sales are arranged by private negotiation.

The primary fur trade of London is concentrated in a small area in the "City" district. There are a number of sales rooms where auctions are held. Dates and general particulars of auction sales are fixed by the Committee of the London Public Fur Sales and are announced in the trade press and by direct circularization well in advance, and this is followed up by the dispatch to persons interested of catalogues itemizing the lots and the quantities to be offered. Facilities are provided in storage warehouses for the examination of offerings by buyers prior to the sale.

Brokers wishing to dispose of pelts privately approach potential buyers personally and by letter, while the trade press is frequently employed as an advertising medium.

In certain cases overseas shippers appoint their own representative resident in London. A representative as a rule solicits business and transmits orders to his principals. He may also receive consignments and sell them to the best advantage through the brokerage houses or otherwise.

Another indispensable intermediary is the merchant who buys from the brokers and who carries stocks for re-sale to the manufacturing furriers and small dealers. There has been a tendency in recent years to neglect the merchant, but he undoubtedly fulfils an important function. Not only does he deal in relatively large quantities but gives credit to his customers and generally

exercises a steady and sustaining influence when markets are fluctuating. In recent years, owing to the increase of hand-to-mouth purchasing, merchants have tended to buy less for stock than for specific orders and as a class they no longer carry the stocks they once did. In other words, the brokers and warehousemen now hold the bulk stocks of raw furs.

SILVER FOX AUCTIONS

The public fur sales, whether held in London or at other centres, differ from those of many other commodities that are regularly sold at auction in that the skins are examined and valued by the prospective buyers before the sales begin in warehouses quite apart from the actual saleroom. No skins are displayed during the course of the auction itself, but the buyers attend with their catalogues duly marked and the sale proceeds in an atmosphere of comparative silence except for the voice of the selling broker.

As a preliminary to the actual sale the various auction companies issue catalogues frequently running into thousands of lots, each of which is separately put up for auction. Armed with such a catalogue the buyer, who is often a commission agent acting for a principal either in London or some overseas market, goes into the appropriate warehouse and inspects hundreds (sometimes it is thousands) of lots into which the silver fox collections are divided. To save time all the dark and slightly silvery pelts are placed in one section, all the quarter-silvery in another, all the half-silvery skins in another and so on. Owing to the very large quantities that have to be examined in a relatively short space of time buyers have to rely very much on the "grading" thus applied to the skins by the auction houses. They assume, fortunately as a rule with complete confidence, that the brief descriptions printed in the catalogues are dependable and frequently merely place a figure or cypher against the lots in which they are interested to indicate their approximate value. Armed with these marked catalogues they then proceed to the saleroom.

The saleroom itself resembles a theatre, with a raised platform or rostrum to accommodate the selling broker (auctioneer) and his assistants. Facing the rostrum are rows of desks or benches that rise in tiers to seat prospective buyers and others interested in the sale. The London Fur Trade Saleroom, situated at Beaver Hall in Garlick Hill, can seat comfortably about 500 persons, but on specially interesting occasions nearly 750 people have crowded into the auditorium.

A collection of silver fox (or of other furs) about to be auctioned is catalogued in lots, each of which contains from one to about twenty or more skins, according to their quality and presumed value. Where a lot contains a number of skins it is the seller's endeavour to have them so graded that the skins comprising the lot are as nearly equal in appearance and value as possible. The auctioneer offers each lot separately and the bidding proceeds "at per skin" by conventional increases in the price. That is to say, if there are ten skins in a lot, bids are made and taken on the basis of a price for each skin in the lot starting at, say, £3 per skin and rising in successive bids of 5s. or 2s. 6d. until at the highest price bid, say £6 per skin, the hammer falls and the lot is sold. The value of the lot would thus be ten times £6 or £60 in all. At these fur sales bidding is done on what is known as the "silent" system, whereby the buyers look up at the auctioneer (or otherwise sign to him) each time they wish to raise the price, never actually speaking unless forced to do so to attract his attention. On the whole the sales proceed quietly and speedily, as many as one hundred and fifty lots per hour being knocked down when competition is brisk.

UNITED KINGDOM FUR TRADE ORGANIZATIONS

The United Kingdom fur trade is a highly organized institution and the various associations of traders actively promote the welfare of their members and work towards the improvement and extension of the fur trade in general.

There are two main associations of fur traders: The London Fur Trade Association and The British Fur Trade Alliance, with sections representing the various divisions within the trade. The London Fur Exchange is an association which affords a meeting place for executives where business is discussed and bargains arranged.

Other organizations deal with the educational side, arranging regular lectures and discussions open to all members of the trade with the object of stimulating interest, efficiency, and esprit de corps.

During the past five or six years an interesting feature of the fur trade's activities has been an annual publicity event: the Fur Fashion Parade, a function held usually in September at a leading hotel, at which the latest fashions in fur garments of all kinds are displayed by mannequins to a specially invited audience composed chiefly of retail furriers and manufacturers from all over the United Kingdom. This event is, in effect, a co-operative effort on the part of the leading wholesale manufacturers to focus the minds of the retail furriers and distributors on fur fashions for the forthcoming season. Both the trade associations assist in promoting this annual campaign although it is entirely financed by the wholesale manufacturers who participate.

2. The Norwegian Fur Trade

COMPETITION IN SILVER FOX

Norway is the only country which at present seriously challenges Canada as a source of supply of silver fox furs. The rise of the industry in that country, which was originally and mainly founded on the basis of Canadian breeding stock, is comparable with its early development in the Dominion.

Since September, 1936, no census has been made regarding the fur-farming industry in Norway, but at that time a detailed census was undertaken of all types of fur-bearing animals. The following table, showing figures of that census, will give an idea of the industry:—

	No. of Farms	Total No. of Animals	Adults		Cubs		No. born in 1936
			Male	Female	Male	Female	
Silver fox..	16,495	390,912	37,587	99,934	135,316	118,075	308,860
Blue fox	354	8,604	685	1,532	3,439	2,948	8,369
White fox	22	75	11	27	26	11	36
Cross fox..	271	1,508	79	449	525	455	1,162
Red fox	396	1,559	73	523	501	462	1,077
Platina fox..	2	26	4	6	9	7	21

These figures, of course, would be considerably reduced after pelting had been completed. In the case of silver fox, it was estimated that pelting would reduce the population by about 212,000.

In order to show the growth of fur farming—particularly silver fox farming—the following table shows the increase in the fur-bearing population at the periods 1929, 1934, and 1936:—

	Number of Animals			Percentage Inc. or Dec. 1934-1936
	1929	1934	1936	
Silver fox	29,857	214,063	390,912	+ 82.6
Blue fox	1,687	8,246	8,604	+ 4.3
White fox	125	77	75	— 2.6
Cross fox	1,170	2,817	1,508	— 46.5
Red fox	550	1,756	1,559	— 11.2
Platina fox.. . . . .	....	....	26	.....
Marten	35	90	85	— 5.6
Mink..	308	4,177	6,716	+ 60.8
Fitchet . . . . .	....	2,276	780	— 65.7
Muskrat . . . . .	....	453	162	— 64.2

From the above it will be noted that the principal increases occurred with silver fox and mink, while a small advance was made in the case of blue fox. All other types showed varying degrees of reduction.

While no official figures are available since the last census, the production continued to increase during the following year, and it was estimated that the total number of silver fox, before pelting took place in the autumn of 1937, amounted to 500,000 animals, of which over 300,000 were cubs.

In previous years, the best prices have usually been obtained during the first sales which occur in November. Owing to a variety of reasons, however, prices in the autumn of 1937 were not satisfactory. In the first place, the autumn was unusually warm that year with the result that the quality of the early pelts was rather poor. Furthermore, buyers appeared somewhat hesitant owing to the fear that another depression had set in, many signs of which were not lacking.

As the season advanced into 1938, however, the quality of the pelts improved, which brought better prices, and total sales for the past season are estimated to have amounted to 340,000 pelts with an average price of kroner 100¹ per pelt. At this average price, it is thought that a considerable number of Norwegian breeders lost money and that Norway's production in 1939 will be smaller than in the 1938 season. In this connection, it is estimated that between 275,000 and 300,000 silver fox will be pelted during the 1939 season out of a total production of 475,000. As far as can be ascertained, stocks in Norway have been practically cleared of 1937 season's pelts.

PLATINA FOX

During the past two or three years, considerable interest has been shown in platina fox and blue fox, particularly the former, which may be numbered among the various "freak" foxes that have occurred on silver fox farms. Originally an unusual specimen occurred on a ranch in the north of Norway. This fox was brought to the notice of some of the leading Norwegian breeders of high-class silver foxes who had specialized in the production of very pale full-silvery animals. In due course a number of these unusual foxes (distinguished by their white noses, white necks, white throats, and white paws, with very light under-fur, and the absence of any black colouration in the guard hairs, which had been replaced by a greyish-blue pigment) came to be bred by a limited number of Norwegian ranchers.

At first the breeding of these unusual specimens was decidedly an act of faith, seeing that they broke away entirely from the standard silver fox in any of its normal colour phases. The very fact of their uniqueness, however, appealed as something outstanding to the devotees of *la haute couture*. The principal producers were persuaded to sell only a few first-class specimens of the new variety which was christened "platina," in contradistinction to the normal "silver" fox. These few "platina" pelts were fortunate in their debut, as a visiting South American buyer, realizing the publicity value of his purchase, bought the skins at the very high price of about kroner 1,400² per pelt and immediately the attention of two continents was focussed on these "platina" foxes. That was in the early months of 1938. In January, 1939, the producers had still barely one dozen choice pelts to sell. Extraordinary measures were taken to ensure the widest publicity by sending these skins to London and Paris for exhibition before they were put up for auction in Oslo. When they were sold the eleven skins in question realized an average figure of 3,836 Norwegian kroner apiece. Three pelts actually fetched over kroner 5,000³ each.

¹ About \$24.70 Canadian at the krone's average value of 24.70 Canadian cents at Montreal in 1938. ² About \$346 Canadian on same basis as ¹. ³ About \$1,235 Canadian.

The immediate effect of the high prices paid for these pelts last year was to send the value of breeding animals soaring to dizzy heights so that as much as 15,000 to 25,000 kroner were paid for males and from 3,000 to 5,000 kroner for vixens. During the present season Norwegian kroner 5,000 was paid for the hire of a "platina" male for breeding purposes. In most cases successful results were obtained, but in a few instances the matings proved sterile. As a rule the number of "platina" puppies in a litter when a "platina" male has been mated with a silver vixen is about 50-50, although sometimes it is even as high as 60 per cent in favour of the "platina" type.

The great interest aroused in these "platina" foxes and the high prices paid both for breeding stock and for pelts has naturally put a premium on the new season's puppies if they show signs of possessing the characteristics of the "platina" foxes. In each of the farms of the two leading producers extraordinary precautions have been taken to ensure a successful outcome during the whelping period. Special clinics, or nurseries as they are called, have been established to look after the vixens and their litters, and both pre-natal and post-natal attention is given by a staff of workers under the direction of a qualified veterinary surgeon. Constant watch is kept, both by day and by night, sleeping accommodation for the men on duty being provided on the premises of the clinic. In addition to facilities for actually watching by normal visual means, each pen in these farms is fitted with microphones that record the slightest noises made by the vixens or by the puppies. Loud speakers and amplifiers reproduce any sound from each breeding pen in a central control room which is constantly manned day and night. Needless to say it is only the high potential value of the litters which justifies this extraordinary attention and expense.

When it comes to considering the prospects before the "platina" foxes it is necessary to remember that the very high prices paid so far, both for breeding stock and for pelts, have to a large extent represented their scarcity value. While only about a dozen skins were sold in 1939 the Norwegian "Platina" Fox Association has decided to offer 15 per cent of its production in 1939-40. This means probably about 200 to 300 skins. Unless all previous experience of the effect of increased supply upon effective demand is at fault, it is inevitable that prices will decline and producers have been warned that values may possibly be halved. The probability is that, with still further increased production, prices will show a tendency to decline in accordance with the actual increase in production.

A point of some importance in regard to "platina" fox pelts is that they are more likely to be imitated than silver fox. In fact nobody has yet succeeded in producing a satisfactory imitation of a good silver fox, whereas white fox pelts are being increasingly used by London fur dyers to create tolerably good imitations of the "platina" variety.

DISTRIBUTION METHODS

It is not possible to give figures, but it is thought that the greatest proportion of the annual production of silver fox skins, not only in Norway but in Sweden and Finland as well, is sold through auctions. Not many years ago, most of the pelts were sold at auctions in other countries in such centres as London, Paris, and Leipzig. The trend, however, has been to hold the auctions in Norway, and at present it is estimated that the auctions in London and Oslo handle about the same number of pelts during a season. Oslo is becoming increasingly important in this business, and buyers attend the Oslo auctions from all the main purchasing countries, representatives from the United States also being present. Last season probably the largest auction that was held in Oslo was the one arranged by the Norwegian Silver Fox

Breeders' Association, which took place in December and continued for a period of two weeks. In addition to this auction, four or five others are held in Oslo at monthly intervals beginning in November.

Until the end of 1938 four auctions have already taken place in Oslo. The following table shows the number of pelts sold, the average price and the highest price paid for the different types of silver fox:—

		Pelts Sold	Average Price Kroner	Highest Price Kroner
Full silver	November auctions	4,351	113.10	326.40
	December auctions	10,661	115.30	479.40
$\frac{3}{4}$ silver	November auctions	5,075	102.61	255.00
	December auctions	12,610	101.20	397.80
$\frac{1}{2}$ silver	November auctions	1,895	92.91	193.80
	December auctions	5,576	89.19	193.80
$\frac{1}{4}$ silver	November auctions	399	78.13	132.60
	December auctions	1,087	76.08	132.60
Dark	November auctions	14	70.08	78.54
	December auctions	108	62.17	73.44
Damaged	November auctions	23	56.98	.....
	December auctions	44	61.20	112.20
Unsorted	November auctions	34	87.15	.....
	December auctions	64	129.76	214.20
Ordinary	November auctions	1,219	66.48	.....
	December auctions	3,822	65.03	83.64
Total pelts sold	November auctions	13,010	100.18	.....
	December auctions	33,972	97.94	.....
Total for 2 months		46,982	99.06	
		Pelts Offered	Per Cent Sold of Pelts Offered	
Total pelts offered	November auctions	15,845	86.75	
	December auctions	44,773	75.72	
Total for 2 months		60,618	77.51	

At a silver fox fur auction held in London the collection consisted of approximately 60 per cent Scandinavian skins and 40 per cent Canadian skins. From the figures obtained at this auction, it has been possible to work out a comparison between the prices received for Norwegian and Canadian skins. The following table shows the number of skins sold, and the average prices received for the auction as a whole, and similar figures for Scandinavian (Norway, Sweden, and Finland combined) skins and for Norwegian and Canadian separately:—

	Total		Norwegian, Swedish and Finnish Skins		Norwegian Skins		Canadian Skins	
	Number Sold	Average Price Kroner	Number Sold	Average Price Kroner	Number Sold	Average Price Kroner	Number Sold	Average Price Kroner
Total	43,120	89.30	29,236	95.27	21,675	100.50	13,884	76.73
Slightly silvery	388	64.65	209	68.65	55	72.40	179	59.98
$\frac{1}{4}$ silvery	1,439	72.40	763	74.85	359	77.10	676	69.63
$\frac{1}{2}$ silvery	10,194	84.80	6,302	89.55	3,745	94.00	3,892	77.11
$\frac{3}{4}$ silvery	14,810	91.30	9,585	96.75	7,381	100.25	5,225	81.30
Silvery	12,570	104.70	9,851	110.45	8,659	112.95	2,719	83.87
Inferior	3,719	50.50	2,526	52.50	1,476	53.25	1,193	46.27

The figures in this table indicate that Norwegian skins command the highest price of any country, and that the average of the three Scandinavian countries, although somewhat lower than the Norwegian level, is still considerably higher than the average price for Canadian skins.

In Norway there are two firms which regularly hold auctions for the sale of silver fox pelts. In addition, various London fur brokers have representatives in Norway who arrange for shipments of pelts to the auctions held in London. Many breeders also sell their skins direct to the dealers. The

breeders themselves watch closely the prices that are received at previous auctions and, generally speaking, they will deal with that firm of brokers who seemed to obtain the best prices.

EXPORTS FROM NORWAY

While a limited number of silver fox skins are sold for domestic consumption, the bulk of the production is dependent upon export markets. Economic conditions in the principal purchasing countries, as well as exchange difficulties, trade restrictions, and quotas, play an important part in the price which is received by the producer.

In the autumn of 1936, the outlook was not particularly promising owing to increased production, combined with exchange difficulties in a number of the principal markets. Nevertheless, prices for the 1936-37 season were considered satisfactory. In fact, the returns received stimulated a still further increase in production for the following season. The results, however, were not so profitable. Buyers were hesitant owing to fears of another world depression and, in the earlier auctions, the quality of the pelts was inferior, both of which factors tended to depress prices. Later in the season, both quality and sentiment improved, with the result that prices advanced to some extent.

The following table shows the number and value of skins exported from Norway since 1935, when detailed statistics became available:—

	Number	Value Kroner	Average Price Kroner
1935	138,707	1,030,581	152
1936	185,821	28,318,248	152
1937	281,367	37,649,770	134
1938	348,070	38,299,899	110

It will be noted from the above table that the average price has shown a considerable decline during the last two years.

As the new season's furs begin to appear on the market during October of each year, a table showing the yearly exports from October to September rather than for the calendar year will probably give a clearer picture of the situation. Unfortunately, it is impossible to give figures showing the value during these periods, but the figures of numbers of silver fox skins exported in the last three periods from October to September are: 1935-36, 150,170; 1936-37, 228,696; 1937-38, 337,005.

The bulk of the exports usually occur during October, November and December of each year. The following figures show the number of skins exported in these three months in 1937 and 1938:—

	1937	1938
October	974	457
November	71,099	41,700
December	127,823	168,804
Total	199,896	210,961

The above figures indicate that up to the present the current season has not shown any decline as compared to the previous year, despite the fact that many believed a reduction would occur. It may still happen that the total figures for the 1938-39 season will show a decline, but from present indications it would appear that an increase will take place, although the rate of increase will not be as rapid as heretofore.

The following table shows the number and value of silver fox skins exported from Norway in 1936, 1937 and 1938 by purchasing countries:

Exports of Silver Fox Skins from Norway

	1936		1937		1938	
	Number	Kroner	Number	Kroner	Number	Kroner
Total	185,821	28,318,248	281,369	37,649,770	348,070	38,299,899
• Great Britain and Ireland . .	102,251	15,618,209	152,724	20,675,593	198,618	21,511,964
France	31,780	4,585,703	29,193	3,313,535	52,207	5,081,331
Germany	19,171	3,267,904	45,493	6,739,599	33,997	4,556,669
Belgium	7,157	872,455	17,665	1,802,762	23,433	2,163,618
Czecho-Slovakia	6,876	1,035,858	5,766	766,165	6,879	752,163
Poland and Danzig	2,965	592,455	6,562	1,173,373	8,594	1,432,223
Austria	2,757	477,992	2,467	326,104	1,226	147,494
Denmark	2,375	235,884	3,126	260,426	3,534	301,056
Switzerland	1,896	273,953	1,343	149,304	2,083	217,267
Argentina	1,822	299,303	3,155	613,958	2,311	411,939
United States	1,764	338,932	4,862	790,489	3,557	538,653
Sweden	1,571	249,928	1,010	113,045	984	120,495
Netherlands	1,571	182,668	4,109	413,729	6,919	649,269
Spain	1,177	177,306	.....	.....	.....	.....
Portugal	459	67,670	1,697	204,327	1,368	132,931
Canada . . . . .	.....	.....	560	96,826	.....	.....
Brazil . . . . .	.....	.....	443	58,834	236	33,546
Peru . . . . .	.....	.....	232	42,280	.....	.....
Italy	64	6,898	213	20,096	154	18,705
Hungary . . . . .	.....	.....	112	10,082	.....	.....
Mexico . . . . .	.....	.....	107	5,500	889	83,415
Australia . . . . .	.....	.....	100	150,000	109	14,655
Roumania . . . . .	.....	.....	.....	.....	213	40,980
Finland . . . . .	.....	.....	.....	.....	199	23,271
Other countries	165	35,130	430	58,743	560	68,255

These figures of Norwegian exports probably do not give an accurate idea of the final country of destination, as a considerable portion of those imported into the United Kingdom are sold at auction and, in all probability, many of them are re-exported.

Those who are responsible for the development of the Norwegian fox industry are continually endeavouring to improve the quality of the foxes. That they have succeeded to a considerable extent is evident from the fact that a law was passed in November, 1937, prohibiting the export of live silver fox from Norway unless an export permit has been granted by the Department of Agriculture. This law was extended in May, 1938, to include blue fox as well. The export of platina fox is now forbidden, so that Norway enjoys a virtual monopoly.

While Norwegian breeders may feel that it is unnecessary to import new stock, nevertheless constant and continuous efforts are being made by leading ranchers to improve the characteristics of the fox and breed out those qualities which result in an inferior grade of pelt. In previous years possibly too much stress has been laid on production and increasing the stock. It is believed, however, that this phase of the industry has passed—at least for a period—and more attention will now be paid towards the improvement of stock.

ADVANTAGES OF SCANDINAVIAN PRODUCERS

The Norwegian producers enjoy several advantages over their Canadian competitors. In the first place they are able to put their pelts on to the market more promptly. In this they are aided by geographical proximity and also by the circumstance that their pelts are thought by some to reach prime condition at an earlier date. It is possible to market many of the Norwegian pelts in the November and December London sales. At this time of the year the only other skins available are those of previous years' production. These are, in the main, either faded or have remained unsold at the sales. Buyers are then in a more receptive mood than at any other period and the Norwegian and Swedish growers have a virtual monopoly of the market until the bulk of the Canadian skins commence to come in, which is not until January at the earliest. Under the early buying pressure prices tend to be firm during the last two months of the year, and to weaken as supplies increase.

Another advantage, which may be temporary, is the preponderance in Norway of the full silvery and paler types. The present trend of fashion, stimulated by the vogue for capes, is for this particular variety so far as the luxury trade is concerned.

Scandinavian producers, moreover, have impressed the United Kingdom trade with the standard of quality of their pelts, which compare favourably with the bulk of the Canadian offerings. This applies to colour rather than texture.

Another factor which is quoted in favour of the Scandinavian shippers is that they have shown more willingness than Canadian shippers to accept current market prices and to sell according to the prevailing conditions of supply and demand. This is possibly due to the fact that hitherto they have been more closely in touch with the European situation and have appreciated more directly the effect of the changes in economic conditions on this side of the Atlantic.

3. Silver Fox Furs

UNITED KINGDOM INDUSTRY

There is a silver fox breeding industry in the United Kingdom, although it is relatively small. No recent official data are available, but the estimated number of farms is under 50, with an average of 100 foxes each. The production of pelts may be reckoned at about 6,000 to 10,000 a year. The majority of ranchers belong to the Silver Fox Breeders Association of Great Britain and Northern Ireland, which is responsible for the registration of breeding stock. The Association generally protects the interest of its members and organizes an Annual Show of silver foxes. Pelts are marketed through the usual fur trade channels, and also by a recently formed marketing department.

SUPPLY AND DEMAND

The rapid expansion of world supplies of silver fox skins due to the development of the fur-ranching industry is too well known to require elaboration. It is sufficient to state that whereas before the great war the total number of skins available for the London market was 2,000, to-day it approaches 500,000. The total world production of pelts in the 1936-37 season has been estimated at over 900,000.

This expansion has been accompanied by the expected drop in values. Ten years ago the average price of silver fox pelts realized in London was £19 15s. The corresponding figure this year was about £3 10s.

While the difficulties of trading on the continent of Europe and the general recession in business in the past twelve months may have weakened the market to some extent, it is clear that the main factor in the decline is the over-abundant supply, particularly of the poorer quality pelts.

The following table shows the number of skins exported to the United Kingdom from Canada during the fiscal years ended March 31, 1922-1938 inclusive, together with the average declared f.o.b. value per skin:—

Canada's Exports of Silver Fox Skins to the United Kingdom, 1922-1938

			Average Declared Value per Skin				Average Declared Value per Skin
		No. of Skins				No. of Skins	
1922	.. .. .	860	\$200.70	1931	.. .. .	65,618	\$ 47.00
1923	.. .. .	1,557	130.10	1932	.. .. .	90,307	27.40
1924	.. .. .	3,850	110.20	1933	.. .. .	97,030	31.00
1925	.. .. .	3,409	97.20	1934	.. .. .	104,890	40.70
1926	.. .. .	4,387	73.10	1935	.. .. .	136,236	35.80
1927	.. .. .	9,805	79.80	1936	.. .. .	153,434	35.20
1928	.. .. .	12,469	95.50	1937	.. .. .	203,233	30.00
1929	.. .. .	19,765	96.90	1938	.. .. .	193,508	26.00
1930	.. .. .	28,871	70.60				

POPULARITY OF THE SILVER FOX

In spite of the rising production, definite signs of a falling-off in the popularity of silver fox skins are as yet few. The market has so far been able to absorb the increased number of pelts which have been offered and although prices have dropped sharply, the fall has been proportionately less than in the case of some other varieties of furs. Some traders, in fact, complain that the sustained demand for silver fox and the large amount of money invested by merchants and others in stocks have been largely responsible for the unsatisfactory state of other sections of the fur business.

Whether or not the popularity of the silver fox will wane it is difficult to say. The reasons for its almost uninterrupted success are that for certain purposes it is the most suitable fur and by existing standards most difficult to replace. The blend of black and white achieved in the best specimens is adaptable for most purposes in connection with women's day and evening wear. It cannot easily be imitated by dyeing. Imitations, moreover, cannot be described as "silver fox" but must be qualified with the description "pointed" or "dyed."

Against these fundamental considerations has to be set the imponderable factor of fashion. The present low price of fox furs (many of them of indifferent quality) has brought them within the reach of many women who can only afford to buy low-priced apparel. The result is very noticeable in the shop windows and in women's attire throughout the country. While this widening of the market's scope has rendered possible a much greater consumption volume of silver fox skins, it has necessarily affected the luxury value even of the finest skins. The wealthier buyers, who are accustomed to wearing articles of an exclusive type, are beginning to look for substitutes it is reported. There is a growing interest in the blue fox, while reference has already been made to the "platina" fox recently produced in Norway. The blue fox is already known in Canada and is considered to merit the attention of fur farmers as offering a promising alternative to the silver fox.

Evidence of the desire to cater to novelty also appears in the recent introduction of coloured silver fox by enterprising London dressers and dyers. At the Fur Fashion Parade displays in London, there were exhibited silver fox furs dyed beige and green.

COMPLAINTS

The London fur trade is seriously concerned about the poor quality of too many of the Canadian skins which are now reaching the country. This feature obviously has tended to debase the popular taste in regard to silver fox. Side by side with this deterioration in the general level of Canadian pelts, the standard of Norwegian foxes has shown some improvement.

Another serious complaint relates to clearness of colour. In high-grade skins the black guard hairs should be blue black and the silver hairs a steely silver. A larger proportion of Canadian than Norwegian skins appear to have a tendency to be brownish or off-colour.

On the other hand the texture and density of the under-fur is usually superior in the Canadian article and this is valuable from the point of view of durability. The quality and condition of skins is determined by various factors in breeding and rearing of the animals, such as breed, feeding, general health, climate and sanitation. These are technical matters which are outside the scope of this report but expert information with regard to breeding problems and the production of pelts is obtainable from experimental farms and fox illustration stations under the aegis of Canadian Provincial or Dominion Departments of Agriculture.

OUTLOOK

The world outlook for the silver fox skin industry is necessarily somewhat obscure.

The influence of the uncertain political and economic conditions on the continent of Europe, which have resulted in restrictions on trade generally, is difficult to determine. The reduction in German buying of furs in London has had an adverse effect on the trade. Before the war and in the immediate post-war years, German buyers came to London to purchase skins, which they resold to customers in the various eastern European countries. Buyers in the latter countries are individually small, and while able to travel to Leipzig are often unable to come to London. Small orders still reach London, but the loss of the facilities provided by the German merchants is noticeable. The fall in the French franc has also aggravated the situation this year, making French buying very spasmodic.

The unsettled state of Europe, coupled with the decline in prices which has affected all commodities, has undoubtedly helped to depress the market for furs and any improvement which may take place will materially assist the silver fox industry.

While the extension of the use of silver fox furs to classes which formerly could not afford to wear them detracts from the exclusive character which they at one time enjoyed, this is a dilemma from which there is no escape.

As has been stated, there is no satisfactory substitute for the silver fox fur. Taking the long view and provided that the right methods are pursued by Canadian breeders and that steps are taken to raise the average standard of quality, there seems to be no reason why it should not continue to command a wide sale at prices which should be profitable to the growers.

RECOMMENDATIONS FOR IMPROVEMENT

Quality.—In order to safeguard the position of the silver fox industry, drastic steps are necessary upon the part of Canadian breeders as a whole to restore the general average quality of their product. One of the leading authorities in the London fur trade recently expressed his views in the following words:—

The quality of the average skins to be seen in the shops leaves much to be desired. The impression has unfortunately been created in the minds of users that silver fox is no longer to be numbered amongst choice peltry and has now become an ordinary fur. Resolute and sustained efforts on the part of producers to eliminate undesirable breeding stock and to concentrate on the production of higher class animals, even if fewer pelts are forthcoming as a result, seem to be the only way to reinstate silver fox as a fur of distinction in the minds of the public.

It is known that certain Canadian breeders have been careful to maintain and develop the standard of quality of their skins. The difficulty is that the presence on the market of considerable quantities of fourth-rate skins tends to depress prices generally, and that so long as there are large numbers of inferior Canadian pelts being offered for export to the United Kingdom, the quality article will not receive full recognition in the matter of value.

Inspection and Grading.—The desirability of introducing some form of government inspection and grading for silver fox furs exported from Canada has been canvassed. In so far as this would induce ranchers to strive for better quality in order to obtain a higher classification for their skins, such a scheme should exert a beneficial effect. Care would have to be taken not to create a bottle-neck, i.e., to ensure that the scheme did not hold up shipments in any way, as further delays in the arrival of Canadian skins on the London market would operate to the advantage of European breeders.

If government-graded skins, conforming to established conditions of quality, could be given some simple form of identification with a national mark and a number, it would be a distinct advantage. Some dressers definitely object to metal attachments as they say they interfere with processing, but this objection could doubtless be overcome. A further drawback to metal tags or studs is that they can easily be removed and that substitution would be simple.

The identification of skins which attain a minimum standard, backed by a guarantee of quality if it can be satisfactorily arranged, should inspire confidence and tend to re-establish the prestige of the silver fox.

Advertising.—The possibility of supplementing a system of grading and identification by judicious advertising, in which producers would co-operate, also deserves consideration; although there are many practical difficulties in the way of formulating, at an economic cost, a plan which would achieve the result of ensuring a higher range of prices for quality merchandise. A point which has to be borne in mind is that London is a competitive world market. Many of the pelts sold are re-exported, and it is only among United Kingdom consumers that Empire sentiment, plus the romance of the Canadian industry, could be effectively capitalized.

New Varieties.—The desirability of developing the production of other varieties of fox might also be considered. The growing interest in blue foxes has been alluded to. Blue fox skins, however, have to be of very good quality if they are to look well and secure good prices. Unless a high quality level can be attained, there are risks associated with this particular variety.

The present vogue for silver fox of the heavily silvered type has been mentioned. Canada has specialized rather in the half and three-quarter silver varieties, and it is doubtful whether it would be prudent for Canadian producers to effect any drastic change-over to the full-silvery fox. While the tendency of fashion cannot be ignored, there is much to be said for continuing with the varieties upon which Canada built up her reputation, and by improving the product to endeavour to restore its precedence over other varieties.

Marketing.—Canadian methods of marketing are also the subject of comment in the London trade. In certain quarters it is felt that better results would be obtained if there were more co-ordination with regard to selling policy. In this connection a greater measure of co-ordination among producers and exporting organizations in the Dominion is advocated.

The discussion of marketing methods, however, pre-supposes more cohesion and continuity in the Canadian organization. It is felt at the moment that Canada's export set-up is divided into too many small units, all operating along different lines. The result is danger of the development of destructive competition.

In brief, if the Canadian silver fox industry is to maintain its position against the severe competition with which it is now faced, it must prepare for a more highly developed organization, for strenuous efforts to improve quality, and for closer co-operation between the different sections of the trade.

4. Other Furs

MINK

In addition to silver fox the ranching of mink is of growing importance. In Canada and in the United States mink farming has already made considerable headway, and it has now spread to Europe, particularly in Sweden, Germany, Norway, Finland and also in Russia. North American producers at present easily lead both in quantity and in quality, and there is a demand in Scandinavia for high-class Canadian and American mink for breeding purposes.

So far as supplies of mink are concerned it must be remembered that skins from the wilds still constitute an appreciable proportion of the annual Canadian production and that the best of these command the highest prices obtainable at auction. The mink ranching industry is faced with problems similar in many respects to those affecting the silver fox farmers and it behooves those engaged in it to strive for the highest possible standards of quality, colour and texture as well as lightness (in weight) of the pelt and uniformity of size and appearance. There are already signs of too many second-rate mink being produced. Although such skins may prove profitable for a time because of market vagaries, in the end they will depress the average value below the cost of production, as has happened in the case of silver fox.

The marketing of mink skins presents a number of problems, particularly for the producer of comparatively few pelts. Parcels of skins sufficiently large to provide material for several coats without undue wastage are naturally preferred by important merchants and manufacturers. They would rather buy 500 skins of even texture and colour than five separate parcels of 100 skins each; if possible they would prefer to buy 1,000 skins rather than 500. This consideration indicates that mink ranching has to be undertaken on such a scale that relatively large quantities of skins similar in all respects are produced, if the farmer is to succeed in making his business pay. Small parcels of skins belonging to sundry owners are always difficult to sell to advantage, even though steps may be taken to pool the products of several producers with a view to securing sizable lots of similar character. Although the majority of ranch-raised pelts are marketed through auction companies, a number of the larger producers prefer to sell their pelts by direct contract with important users.

Although the results of the auctions usually indicate values of wild-caught mink, for this reason they do not necessarily afford similar information regarding the best of the ranch-bred skins.

WILD FURS

While ranch-bred silver fox and mink form two highly important links in the chain of Canadian furs, it must not be forgotten that they do not exhaust by any means the list of pelts in which the fur trade is interested. In fact the furs most characteristic of Canada still come from the wilds and include such items as beaver, musquash, otter, fisher, marten, ermine, lynx, cross fox, blue fox and white fox. Some of these, such as blue fox, cross fox, marten and fisher, are being ranched in various parts of the Dominion, while large scale experiments are being conducted whereby beaver and muskrat are allowed to breed under conditions as natural as possible in quiet and remote areas.

While blue fox farming is likely to assume important dimensions in the near future, the problems attending the raising of marten and fisher are such that progress is slow. It is interesting, however, to note in this connection that on a farm in British Columbia dark marten have been successfully raised. This is one of the most valuable Canadian fur-bearers whose numbers have been seriously reduced by forest fires, the increase of lumbering operations, prospecting and mining in the interior.

Scarcely more than a century ago furs from the wilds formed one of the chief Canadian exports. Times have changed and with the extension of settled areas certain fur-bearing animals have decreased in number (although curiously enough others, such as the ermine, have actually increased). However, the diminution of wild fur has been more than made good by the introduction of fur-farming and the value of pelts of ranch-bred animals has advanced from 3 per cent of the total value of the fur production of Canada in 1921 to 31 per cent in 1935.

The fur wealth of the Dominion remains a valuable asset capable of considerable development. Under well-conceived conservation schemes and by the imposition of close seasons at appropriate times, as well as by the establishment of national fur preserves, the yield of wild fur can be not only maintained but increased. On the other hand the industry of fur-farming is relatively new and much has still to be learned as to the best methods and technique to be adopted. Yet its potentialities are such as to offer ample rewards to those who are prepared to work steadily and intelligently towards the goal of raising animals with pelts equal in every respect to the best products of the wilds.

FISH MEAL PROSPECTS IN THE LONDON MARKET*

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, July 7, 1939.—Production of fish meal during the past twelve months has declined somewhat, partly due to the laying up of a number of trawlers but mainly due to the operation of the international agreement regulating the minimum size of the mesh of nets. This has resulted in a much smaller relative catch of the immature fish always sent to the reduction plants.

The supply of United Kingdom fish meals at present available in this market is therefore very limited and importations appear to have been small so far this season. In fact, it is stated on reliable authority that present stocks are very low, possibly lower than for many years.

WHITEFISH MEAL

In past years it has been possible to import several hundred tons of whitefish meal from Eastern Canada at this time of the year, but no business of any importance appears to have been completed this season. Offers have been few and at £14 10s. to £15 10s. per long ton c.i.f., have been quite beyond the reach of London buyers. Although supplies of United Kingdom whitefish meal are limited, there have been sufficient available at £14 10s. per long ton, delivered to buyer's warehouse, to take care of actual inquiries. It is not anticipated that there will be any substantial increase in the price of domestic whitefish meal as the price is already high and any marked advance would force users to substitute other materials, even if less satisfactory.

PILCHARD MEAL

A certain amount of business has proved possible at £13 per long ton c.i.f. for new-season pilchard meal from Vancouver but interest has been mainly confined to shipments for July-August. There has been some underquoting and offering for shipment forward to December but the market does not appear to have been affected greatly. At the time of writing pilchard meal appears to be firmly held for £14 per long ton c.i.f., but apparently no progress is practicable at this figure.

PILCHARD MEAL IN RELATION TO DOMESTIC WHITEFISH MEAL

There is still a very considerable opinion in this country against using fish meal containing more than about 3 per cent oil. This aspect is stressed in the intensive advertising campaign by the home producers of whitefish meal, which has continued for some months. Consequently, in selling a fish meal with oil content of 6 or 7 per cent the offer must also be financially attractive.

* See "Feedstuffs in the United Kingdom" in *Commercial Intelligence Journal* No. 1849 (July 8, 1939), pages 58-62, for a discussion of the United Kingdom market for fish meals.

There is, too, new discussion in this country concerning the free fatty acid content of fish meal. It is stated that, even by the most modern methods of production, herring and pilchard meals show a 20 per cent f.f.a. content in the oil left in the meal. For example, in a meal testing 7 per cent oil, the f.f.a. content would be 1.4 per cent. The maximum figure considered safe in the United Kingdom is stated to be $\frac{1}{2}$ of 1 per cent. The accuracy of the facts in these statements is less important than the obvious implication that pilchard and herring meal must be attractively priced to offset such prejudices.

With domestic whitefish meal available at around £14 10s. per long ton delivered, it is clear that the cost of pilchard meal must not greatly exceed £12 10s. per long ton c.i.f. A price of £13 will give some business but it would appear that quantity sales may only be expected at 10s. or even 20s. less. This is a growing market to be cultivated by careful adjustment of prices as well as delivery of a good product.

HAY CROP AND MARKET CONDITIONS IN NORTHERN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Belfast, July 10, 1939.—Preliminary figures of the 1939 area under hay in Northern Ireland are not yet available, but it is the opinion of the Ministry of Agriculture that it will show no appreciable change from that of last year, when it was 430,737 acres.

Cold winds in April and the early part of May, combined more recently with drought, resulted in a very backward state of growth in both upland and meadow crops, and many acres are likely to give only light yields. With the advent of better weather, cutting commenced early in some districts and progressed satisfactorily. Although the total crop is likely to be short, it is anticipated that quality will be better than in recent years.

MARKET CONDITIONS

The Northern Ireland hay crop in 1938 was well up to average, amounting to 824,989 tons. The effect of the spring drought on grasslands, however, resulted in a greater drain than usual on supplies, and stocks are now low. Quantities marketed during recent months have shown successive decreases. The average prices obtained for old crop hay in April, May, and June were £3 per ton, £3 2s. 9d., and £3 2s. 7d. for upland hay, respectively, and £2 4s., £2 11s., and £2 12s. 6d. per ton for meadow hay.

Although one or two importers who have a steady demand for it will usually pay the higher price its superior quality commands, in general Canadian hay is regarded on this market as supplementary to the home crop. With the probability of a short crop this year, therefore, and the present scarcity of old crop supplies, it is likely to be in better demand than usual. Later in the season, however, when more definite information is available regarding the 1939 acreage and yield, it will be possible to gauge the prospects more accurately.

Offers of Canadian hay at £3 19s. per ton c.i.f. Belfast for good f.a.q. and £4 1s. for No. 2 clover mixed hay have recently been received here, and some shipments have already been made from Montreal.

Imports of hay into Northern Ireland from all sources for the first four months of 1939 amounted to 372 tons.

TRADE COMMISSIONERS ON TOUR

Mr. P. V. McLane, Canadian Trade Commissioner at Kobe, Japan, and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories.

Mr. Strong's itinerary is as follows:—

Kingston	Aug. 7	Charlottetown	Sept. 1
Montreal	Aug. 8 to 18	Quebec	Sept. 3
Fredericton and other points in N. B.	Aug. 21 to 23	Ottawa	Sept. 5
Halifax	Aug. 30		

Mr. McLane will be in Vancouver from September 5 to 15.

Firms wishing to be brought in touch with the Trade Commissioners should communicate: for Vancouver, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

MUNICIPAL HOUSING SCHEMES IN SOUTH AFRICA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, June 26, 1939.—The Union Government in 1920 adopted a policy of state assistance to housing in municipalities. A Central Housing Board is responsible to the Government for state assistance in the form of loans to the municipalities and building societies for slum elimination and rehousing. The early schemes, termed sub-economic, were primarily intended to assist the poorer classes. Subsequently these were enlarged in order to assist other classes, and are termed economic schemes. To date the Housing Board has committed the Government to an expenditure of £18,266,000, made up of £13,000,000 for sub-economic and £5,000,000 for economic housing. These funds are credited to the provincial housing loan funds of the four provinces. The Government has also provided £100,000 for housing the aged poor and totally unfit and £166,000 for housing loans through the building societies. In addition to the above amounts, the sum of £2,800,000 is to be provided for rehousing and £3,000,000 for slum elimination.

Economic housing has not in the past been developed to the extent that was expected, but present indications are that it will be well patronized this year, and government appropriations for this purpose have been increased for 1939 from £250,000 to £495,000. In 1938 the allocation for sub-economic schemes amounted to £1,250,000; for 1939 this will be increased to £1,500,000.

Advances for housing the aged poor and totally unfit will amount to £53,000 for 1939, which is more than double the previous year's figure.

ASSISTANCE OTHER THAN FINANCIAL

The principal cities of the Union have made use of the loans available to a greater extent than the smaller centres where the need is not so great. The fact that 43 locals in the Cape Province, 23 in the Transvaal, 6 in Natal, and 4 in the Orange Free State had undertaken economic and sub-economic housing schemes as at January 7, 1939, indicates that government assistance is appreciated and required throughout the Union.

The board have endeavoured to encourage local authorities to formulate schemes suitable for their own requirements, having regard to local labour,

materials, and sociological considerations, and to direct their efforts so as to achieve the best results. To assist the local authorities further the board prepares plans of model dwellings suitable for adoption as a standard. These embody the best features of the many schemes carried out in different parts of the Union which have proved successful and given satisfaction over a period of years. The local authority concerned then either adopts one of the suggested plans or amends the designs submitted to suit their own requirements.

ECONOMIC HOUSING

With the help of these loans, a total of 16,397 dwellings, including hostels, comprising 6,561 for Europeans and 9,836 for non-Europeans, have been built or are in process of construction under the economic housing schemes. As at January 13, 1938, a total of 14,321 had been completed, 640 nearly completed, and 1,436 were in the initial stages of construction.

When the Housing Act first came into operation, loans were made up to 90 per cent of the cost of a £2,500 house, exclusive of the cost of the ground. From April 1, 1928, this amount was reduced, and at present the maximum loan obtainable is £650, which is applicable to houses costing £800, exclusive of ground, except in certain localities where building costs are high, in which case a loan of £750 may be obtained on a house costing £950.

The following table shows the housing loans voted by Parliament for economic housing and the amounts paid out annually since the promulgation of the Housing Act on August 16, 1920:—

Year	Funds Voted	Funds Paid Out	Year	Funds Voted	Funds Paid Out
1920-21	£ 500,000	£ 45,833	1929-30	300,000	258,533
1921-22	800,000	556,879	1930-31	300,000	180,029
1922-23	720,000	265,234	1931-32	200,000	106,768
1923-24	700,000	405,751	1932-33	100,000	51,726
1924-25	610,000	376,738	1933-34	100,000	767
1925-26	500,000	244,623	1934-35	100,000	.....
1926-27	437,000	321,193	1935-36	150,000	.....
1927-28	366,000	204,659	1936-37	820,000	219,568
1928-29	300,000	142,236	1937-38	1,370,000	1,035,415

The reduced expenditures from Treasury funds during the years 1931-32 to 1936-37 are accounted for by the fact that the provinces were able to meet requisitions from local authorities out of repaid capital in hand, of which £118,668 was reissued in 1933-34, £112,986 in 1934-35, £150,056 in 1935-36, and £174,421 during the first nine months of 1936-37.

Up to the end of August, 1922, the interest rate on economic loans was 4 per cent per annum. Subsequent loans were made at 5 per cent until September 1, 1933, when the rate was reduced to 4 per cent. On January 1, 1937, the interest rate was further reduced to 3½ per cent.

The following table shows for 1936 (the latest year for which figures have been issued by the board) the total number, number for European occupation, and number for non-European occupation of the houses in each group (based on cost) constructed under the economic housing schemes:—

Cost, exclusive of Ground	For European Occupation	For non-European Occupation	Total
Over £800 to £950	51	1	52
Over 700 to 800	84	..	84
Over 600 to 700	5	..	5
Over 500 to 600	3	..	3
Over 400 to 500	18	..	18
Over 300 to 400	3	..	3
Over 200 to 300	30	..	30
Over 100 to 200 . . . . .	..	36	36
£100 and under . . . . .	..	94	94
Total	194	131	325

SUB-ECONOMIC HOUSING

Under sub-economic schemes, 15,398 dwellings have been built or are in process of construction. Of this number, 2,733 are completed, 2,750 are under construction, and 9,915 are in the initial stages.

Under the schemes for housing the aged poor and totally unfit, 290 dwellings have been approved. Of this number, 78 have been completed, 25 are under construction, and 187 are in the initial stages of erection.

Under the sub-economic schemes both cottages and apartment houses are built according to circumstances and requirements. As regards cottages, various types are constructed as follows:—

Type 1.—Combined living-room and kitchen, two bedrooms, shower and w.c., costing £322 10s. each and renting for 7s. 6d. per week.

Type 2.—Combined living-room and kitchen, three bedrooms, shower and w.c., costing £371 15s. each and renting for 10s. per week.

Type A.—Two-roomed dwellings costing £75 and renting for 2s. 9d. per week.

Type C.—Three-roomed dwellings costing £140 and renting for 20s. per month; two-roomed apartments costing £310 and renting for 8s. per week; three-roomed apartments costing \$386 and renting for 10s. per week; four-roomed premises costing £445 and renting for 11s. per week.

Type D.—Four rooms, kitchen, and bathroom, costing £319 and renting for 12s. 6d. per week.

The interest rate on sub-economic loans was until 1936 fixed at 2 per cent per annum. As an inducement to local authorities to proceed immediately with their building programs, the Treasury reduced the interest rate to $\frac{3}{4}$ per cent and agreed to a modification of the conditions in respect of schemes financed under this new rate and approved up to March 31, 1940, so as to permit of rentals being fixed at a figure which will involve the local authority in a loss equal to one-half of that incurred by the Government. In other words, if the Government loses $2\frac{1}{2}$ per cent on loans carrying $\frac{3}{4}$ per cent, the local authority is only required to bear a loss of $1\frac{1}{4}$ per cent.

Housing for the aged poor and totally unfit is being provided for out of loans made by the Government at an interest rate of one shilling, or one-twentieth per cent per annum, with redemption (calculated on the basis of an investment return of $3\frac{1}{4}$ per cent per annum) spread over a period not exceeding 40 years.

The selection of tenants is left in the hands of charitable organizations, subject to approval by the local authority. The charitable organizations are responsible to the local authority for the collection of rentals.

While these schemes have been progressing satisfactorily, it is expected that activity during the next two years will be greater than in the past, as the local authorities, in an effort to provide employment, are proceeding with their housing schemes more rapidly than formerly. This is exemplified in the progress recorded for a number of the principal centres.

CAPE TOWN

For several years Cape Town has been engaged in slum clearance in the centre of the city, where overcrowding and unhealthful conditions prevailed. Buildings have been and are being torn down and new buildings and apartments built in their places for both Europeans and non-Europeans, with adequate provision for open spaces.

The first scheme completed in Cape Town consisted of 454 houses built at a cost of £120,612, and consisting of houses with two or three bedrooms, living room, and kitchen, renting at from 6s. to 10s. per week; and 186 apartments

of two, three, and four rooms, renting at from 7s. 6d. per week for those with two rooms to 12s. per week for those with four rooms.

It is estimated that 12,000 dwellings, calling for an expenditure of £6,000,000, are at present required in Cape Town to meet the housing problems of the poorer classes. An ambitious scheme involving an expenditure of £3,500,000 has been decided upon, and operations have been begun under the direction of the chief housing architect. The municipality purchased 523 acres of land comparatively close to the industrial section of the city, thus minimizing the transportation cost for persons going to and from their work. This property has been laid out in accordance with principles of town planning, and it is proposed to build between 7,000 to 8,000 dwellings for non-Europeans on this site.

In addition to the dwellings, which are being spaced at approximately 15 to the acre, it is proposed to erect 17 schools, 3 moving picture theatres accommodating 2,000 each, 5 churches, and 280 small stores, the cost of which will be additional to the estimated amount of £3,500,000 to be spent on the dwellings, roads, and parks.

The dwellings will be constructed with brick walls plastered on both surfaces with cement plaster, floors of wood, steel window frames, ceilings of plaster-board or fibreboard, and roofs mostly of galvanized iron, although some will have shingle roofs. Construction has begun on 458 houses at an approximate cost of £108,000, and it is hoped to add another 800 in the course of the next eighteen months.

ADDITIONAL SCHEMES

Other schemes in progress include 138 apartments costing approximately £60,000 and 260 houses costing £98,259. This latter scheme is of special interest to Canada in that it is the first municipal housing scheme for which shingle roofs were specified, the shingles to be supplied from the Dominion. The houses consist of two, three, and four rooms, the rentals ranging from 9s. 3d. per week up to 15s. 7d. Living rooms are 150 square feet in area, the first bedroom 150 square feet, second bedroom 120, and third bedroom 100 square feet.

In addition to the large scheme outlined above, for which a special municipal housing architect is responsible, it is proposed to provide 500 apartments costing £500,000, in connection with which the Cape Town City Council offered a prize of £300 for the best design, the work to be carried on under the supervision of the architect awarded the prize. This scheme will mean the construction of forty-four blocks of buildings of three and four storeys to contain the 500 apartments, each of which will consist of two, three, or four rooms and will be occupied largely by Malays. The plans are standardized, so that new units may be added if it is decided to do so later. This also applies to the equipment, with a view to economy in construction and installation.

Immediately adjacent to but outside of the municipal area the Cape Divisional Council has decided to undertake two sub-economic housing schemes of 200 houses each, one at Matroosfontein and the other at Windermere. They have also decided to grant economic housing loans to people in the Divisional Council area as required.

JOHANNESBURG

Owing to its size and importance Johannesburg has carried on extensive operations under housing schemes. Three economic schemes comprising 432 dwellings for Europeans have been completed, and four additional schemes comprising a total of 2,073 houses, also for Europeans, are contemplated.

In its sub-economic undertakings a total of 8,821 houses for natives have been completed at a cost of £930,200, excluding the cost of the land and fencing, and construction of a further 3,400 is contemplated. For the better class of coloured people one scheme provides for 900 houses; the tender for the first

250 at £119,000 has been accepted. In these undertakings, in addition to the dwellings, provision is made for girls' and boys' hostels and community halls, some of which have been completed. An additional sub-economic scheme for Europeans is also planned. The land has been acquired and plans are being prepared for 2,000 houses, with provision for schools and churches, playing fields, parks, and a community hall or centre.

The houses for Europeans and the apartments and dwellings for the better-class coloured people are constructed with brick walls, corrugated iron roofs, insulated board ceilings, wooden floors in living rooms, and concrete and/or granolithic floors in kitchens and bathrooms. The native houses are constructed with brick walls, corrugated iron roofs, concrete and granolithic or earth floors, and no ceilings. A few houses have been built of precast concrete blocks.

EAST LONDON

In 1922 East London built its first houses under a municipal housing scheme, when 19 houses for Europeans were erected at a total cost of £19,706. To date 81 houses costing \$65,197 have been built under its economic housing program.

In catering to the needs of the native population under the sub-economic program, 181 rondavels and 208 houses costing £61,013 have been built, while for Europeans 166 houses to cost £60,977 are under construction and the building of a further 300 houses for coloured persons and 1,970 houses for natives is contemplated.

The houses built under the economic housing program were of brick, with 9-inch external walls and 4½-inch internal walls on concrete foundations, plastered throughout with cement and mortar and having corrugated iron roofs. Under the sub-economic program the foundations are concrete with cavity walls, bricks being bagged and limewashed externally and plastered internally. Internal walls are of 3-inch clinker concrete blocks, plastered. The floors are 7⁄8-inch boarding in the living rooms and bedrooms and granolithic on concrete elsewhere; ceilings are of fibreboard.

PORT ELIZABETH

Port Elizabeth initiated its economic housing scheme in 1921 by awarding contracts for the erection of 100 houses for Europeans. Since that year the authorities have provided 790 dwellings for Europeans and 162 for coloured persons.

It was not until 1931 that attention was given to sub-economic housing. The first contract was for 100 houses, and up to the end of 1938 a total of 426 houses had been built. In 1938 two large projects were launched, one calling for 3,000 houses, of which 812 have been completed and contracts let for an additional 1,450. The other comprises 1,500 houses, of which contracts for 500 have been let and 258 completed. Methods of construction are similar to those adopted for East London. Depending on the type of dwelling built, the cost per house varies from £126 to £362 14s. 9d.

BLOEMFONTEIN

In Bloemfontein the housing problem has not been as acute as in other centres. To date 172 dwellings costing £167,000 have been completed and construction of another 90 costing £50,000 is contemplated. Construction is similar to that of houses in other centres: concrete foundations, brick walls, cement roughcast outside, cement plaster colour-washed inside, wooden or composition ceilings, wooden floors, and galvanized iron roofs.

OTHER CENTRES

Housing schemes in Pretoria call for an expenditure of £810,000, of which £700,000 will be spent on a new location for natives.

In Durban the city council proposed that an additional housing scheme be adopted which would enable anyone earning up to £750 per annum to purchase a house and lot with a 5 per cent deposit at 4 per cent interest, payable over a period of 20 years.

This plan was for a time opposed by the building societies, who took the stand that the council was offering unfair competition. They have, however, now withdrawn their objections and the Minister of the Interior has approved of the scheme. Other local authorities who are in a position to do so may launch similar schemes.

The various housing schemes in South Africa are of interest to Canada in that they afford opportunities to Canadian suppliers of roof timbers, doors, floor joists, flooring and, to a limited extent, cedar shingles. They also create a considerable demand for hardware and sanitary supplies.

TRADE OF KENYA AND UGANDA IN 1938

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, June 17, 1939.—Despite the fall in the total value of imports and exports as compared with 1937, due mainly to decreases in commodity prices, the figures for 1938 indicated a satisfactory situation with respect to the external trade of the territories. There was a favourable balance of trade of £1,709,956 as compared with £1,838,403 in 1937, and the quantities of produce exported were in the case of most commodities in excess of the figures for 1937. The value of domestic exports of Kenya and Uganda decreased from £9,656,791 in 1937 to £8,504,650 in 1938, or by approximately 12 per cent, but considerable increases in the quantities exported of cotton and coffee in 1938 offset to some extent the greater decrease in value which would otherwise have been recorded. Imports of the combined territories decreased by £1,014,702, or approximately 10 per cent, to a value of £9,038,833.

There was a decrease of 18 per cent in the value of Uganda's exports, from £5,702,736 in 1937 to £4,668,966 in 1938. In regard to cotton, there was an increase in quantity of 255,237 centals and a decrease in value of £841,335. Gold showed an increase from £124,713 in 1937 to £145,413.

Kenya's exports taken separately show a comparatively small decrease in value of 3·1 per cent as compared with the record figure for 1937. While sisal dropped in value from £673,719 in 1937 to £436,258 in 1938, this was offset to a great extent by an increase for pyrethrum, which advanced from £59,815 in 1937 to £180,043 in 1938. The value of gold exported increased from £415,967 in 1937 to £520,206, and cedar salts also increased from £18,250 to £24,584.

IMPORT TRADE

Imports into Kenya and Uganda during the year, excluding bullion and specie, were valued at £8,801,683 as compared with £9,873,979 in 1937 and £7,140,726 in 1936.

The values of imports under the main statistical headings, with relative percentages, were as follows for the years 1936 to 1938:—

	1936		1937		1938	
	£	Per Cent	£	Per Cent	£	Per Cent
Food, drink and tobacco ..	877,166	12	1,111,075	10	1,086,901	11
Raw materials and articles mainly unmanufactured.	458,540	6	617,200	6	393,774	4
Articles wholly or mainly manufactured.	5,497,634	75	7,792,724	72	6,990,080	73
Animals not for food	13,396	..	17,778	..	14,274	..
Parcel post.	293,990	4	335,202	3	316,654	3
Bullion and specie	236,553	3	958,594	9	865,347	9
Total	7,377,279		10,832,573		9,667,030	

IMPORTS BY PRINCIPAL COUNTRIES

The following table shows the total value of merchandise imported into Kenya and Uganda during the past three years from the principal sources of supply:—

	1936	1937	1938
United Kingdom	£2,831,579	£4,461,770	£4,312,052
Japan	1,117,656	1,589,329	1,046,071
United States	601,643	977,514	873,118
Tanganyika	724,500	942,515	850,112
Persia	236,163	385,759	470,126
Germany	463,024	591,251	423,032
India	381,968	458,048	422,470
Belgo-Luxemburg Union	189,275	286,866	192,864
Union of South Africa	119,696	112,983	146,829
Canada	121,043	160,991	112,983
Holland	50,806	86,014	83,060
Italy	14,412	77,175	82,156
Dutch East Indies	167,316	121,372	77,452
Czecho-Slovakia	55,364	101,640	76,047
France	61,651	72,737	66,744
Sarawak	9,723	60,205	66,228
Sweden	47,271	68,841	54,777
Bahrien Islands .. . . .	.....	.....	52,334
Switzerland	11,149	20,271	30,868

In order of value, percentages of total imports from the principal sources of supply in 1938 were: United Kingdom, 44·6; Japan, 10·8; United States, 9; Tanganyika, 8·8; Persia, 4·9; India, 4·4; Germany, 4·4; Belgo-Luxemburg Union, 2; Union of South Africa, 1·5; Canada, 1·2; Holland, 0·9; Italy, 0·9; Dutch East Indies, 0·8; France, 0·7.

PRODUCTS IMPORTED FROM PRINCIPAL SUPPLYING COUNTRIES

Cotton textiles continue to be the most important item of import their value for 1938 being £982,028, or 10 per cent of the value of all goods imported. Japan supplied 72 per cent valued at £702,727 and the United Kingdom 12 per cent valued at £116,939.

Japan was also the principal supplier of artificial silk piece-goods and natural silk goods.

Imports of machinery valued at £675,056 during 1938 indicates the continued agricultural and industrial activity of the territories.

Following are the leading sources of supply with the principal products imported from each:—

United Kingdom.—Ale, beer, stout, etc.; biscuits, confectionery, provisions; gin, whisky; cigarettes; coal; cement and clinker; iron and steel and manufactures thereof; aluminium, tin and manufactures thereof; tools, cutlery, hardware, etc.; electrical goods and apparatus; machinery; cotton piece-goods; woollen and artificial silk goods; fishing nets; wearing apparel; chemicals; drugs; paints; soap; oils; stationery, etc.; aeroplanes; bicycles; motor cars; lorries and parts; tires; railway materials; ships; polishes; books; brushes; explosives; guns and rifles; cosmetics; toys, etc.

Japan.—Cement; hollow-ware; aluminium; cotton and silk goods; boxboards; tires; wearing apparel; boots and shoes.

United States.—Provisions; tobacco; tinplate; tools; motor vehicles; oil; petrol; kerosene; tires; machinery; and apparel.

Tanganyika.—Rice, ghee, coffee; tobacco and cigarettes; copra; timber; cotton; hides and skins; tin ore; seeds and nuts.

Persia.—Fuel oil; petrol and kerosene.

Germany.—Beer; iron rails, etc.; aluminium; tools; machinery; cotton blankets; drugs; stationery, etc.; motor vehicles and tires; cycle parts and lamps.

India.—Rice; wheat flour; spices; cotton piece-goods; jute bags and sacks, etc.; leather.

Belgo-Luxemburg Union.—Iron bars, etc.; corrugated iron; machinery; cotton blankets.

Union of South Africa.—Fruit; coal; chemicals.

Canada.—Motor cars; lorries and parts and tires; agricultural machinery.

Holland.—Condensed milk; tobacco; beer; cotton piece-goods and blankets.

Italy.—Cotton blankets; woollen blankets and piece-goods; apparel.

Dutch East Indies.—Fuel oil; petrol and kerosene.

France.—Brandy; wines; tires.

IMPORTS IN ORDER OF VALUE

In order of value the principal items of import in 1938 into Kenya and Uganda of interest to Canada were:—

Cotton piece-goods, £982,028; motor cars (1,577) £268,886; industrial machinery, £245,775; motor trucks (1,151) £220,064; electrical goods and apparatus, £153,059; cigarettes, £106,114; iron tubes, pipes and fittings, £101,285.

Imports of items valued at £100,000 or less included:—

Tires, motor car and truck, £91,471; artificial silk piece-goods, £85,813; furniture and manufactures of wood and timber, £73,170; cement, building, £73,087; whisky, £72,558; iron rails, sleepers, and fishplates, £70,162; agricultural machinery, £67,831; stationery, £58,260; artisans' tools, £57,955; motor car parts, £57,918; drugs and medicines, £57,424; tractors, £56,190; box boards, £53,387; paints and colours, £53,061.

Imports valued at less than £50,000 included:—

Agricultural and horticultural tools, £41,831; iron and steel bars, rods, angles, shapes and sections, £40,151; pumps and pumping machinery, £35,927; aluminium manufactures, £34,543; soap, £30,613; surgical and scientific instruments and apparatus, £28,878; woollen blankets, £28,552; provisions, £28,302; ploughs, harrows, cultivators and drills, £26,193; nails, screws and rivets, £26,163; hosiery, £26,159; confectionery, £26,017; insecticides, £25,490; timber, £25,061; paper, printing, £23,605; boots and shoes, £22,479; perfumery and cosmetics, £21,507; motor truck parts, £21,138; tobacco, manufactured, £20,568.

Other imports included:—

Wheat, £19,483; fruit, fresh, £16,569; wheat meal and flour, £16,165; shovels, spades and axes, £16,128; milk, condensed and preserved, £15,411; tractor parts, £14,363; spices, £14,355; brass and manufactures of, £14,094; haberdashery, £13,830; biscuits, £13,607; lamps and lanterns, £13,542; toys, games and sporting goods, £13,406; blacking and polishes, £13,094; fish, salted, dried and pickled, £12,212; cranes and hoists, £10,667; asbestos manufactures, £9,319; hats and caps, £9,064; fish, canned, £7,939; felt, rubberoid, etc., for building purposes, £5,425; beverages and syrups, £5,134; copper and manufactures of, £4,932; fruit, bottled and canned, £4,060; marmalades, jams and jellies, £2,999.

IMPORTS FROM CANADA

The principal imports from Canada in order of importance in 1938 were:—

Motor trucks (251), £36,357; motor cars (170), £26,756; tires, motor car and truck, £10,317; motor car parts, £7,442; ploughs, harrows, cultivators and drills, £6,390; agricultural machinery, other, and parts thereof, £3,862; motor truck parts, £2,644; fruit, fresh, £2,036; paper and cardboard, other, £1,545; parcel post shipments, £1,498; provisions, £1,389; rubber manufactures, other, £1,235; timber, hewn or sawn, £1,149; vehicle parts, other, £1,082; vehicles, £1,024; canned foods, £973; industrial machinery, £942; typewriters, £820; tubes, motor-car and truck, £697; pickles and sauces, £674; binders, reapers and mowers, £424; lamps and lanterns, £376; paper, packing, £336; artisans' tools, £265; drugs, £250; implements and tools, £219; milk, powdered, £201; printed matter, £189; miscellaneous

manufactured goods, £173; stationery, £156; electrical goods and fittings, £147; doors and window frames, £137; aluminium manufactures, £134; cotton manufactures, £119; silk manufactures, £118.

Other imports included:—

Foods, fresh or frozen, £89; safety razor blades, £84; brushes and brooms, £71; whisky, £51; calcium carbide, £43; glassware, globes and shades, £40; motor-cycle tires, £36; timber, planed or dressed, £33; toilet preparations, £33; hardware, £29; fruits, preserved, £28; manufactures of wood, £26; paper, printing, £25; unspecified manufactured goods, £22; patent foods, £18; cranes and hoists, £17.

EXPORT TRADE

The total value of exports from Kenya and Uganda, including re-exports but excluding goods entered in transit or transhipment, during the past three years, are as follows:—

	1936	1937	1938
Domestic exports	£ 8,354,774	£ 9,656,791	£ 8,504,650
Re-exports	2,191,124	2,495,948	2,308,521
Total exports	£10,545,898	£12,152,739	£10,813,171

The values of bullion and specie included in the foregoing totals were as follows: 1936, £655,684; 1937, £941,920; 1938, £915,584.

The values of domestic exports from Kenya and Uganda during the past three years are as follows:—

	1936	1937	1938
Kenya exports	£3,888,321	£3,954,055	£3,835,684
Uganda exports	4,466,453	5,702,736	4,668,966
Total exports	£8,354,774	£9,656,791	£8,504,650

Kenya's domestic exports consist of the following, in order of importance: coffee, tea, sisal fibre and tow, corn, pyrethrum, sodium carbonate, hides, raw cotton, wattle extract, butter, skins, wool, wheat meal and flour, and corn meal and flour.

Uganda's domestic exports consist of raw cotton, coffee, cotton seed, refined sugar, tin ore, and hides.

India is the principal purchaser, taking 35 per cent of the combined domestic exports, followed by the United Kingdom, 33 per cent; United States, 5; Belgo-Luxemburg, 2; Union of South Africa, 2; Holland, 2; Australia, Czecho-Slovakia, Mozambique, Germany, and France 1 per cent each.

COUNTRIES OF DESTINATION

The total values of domestic exports of Kenya and Uganda for the past three years, with the principal countries of destination, are as follows:—

	1936	1937	1938
India	£1,781,408	£3,070,497	£2,970,773
United Kingdom	2,379,091	2,569,855	2,790,345
United States	596,790	309,427	396,615
Belgo-Luxemburg Union	347,441	338,939	194,093
Union of South Africa	198,517	204,856	146,159
Holland	123,334	155,214	141,628
Australia	83,242	64,501	85,419
Czecho-Slovakia	22,630	60,228	75,764
Mozambique	51,468	56,331	68,804
Germany	163,853	109,858	64,085
France	116,499	113,425	60,959
Zanzibar	34,965	53,825	48,233
Aden	35,521	19,436	44,838
China	65,205	68,760	40,475

EXPORTS TO CANADA

Exports to Canada in 1938, in order of their importance, were as follows: coffee, 111,398 cwt. (£235,083); sisal fibre, 2,276 tons (£34,860); sisal tow, 467 tons (£4,975); beans, 1,852 cwt. (£1,145); oils, fats and resin, 72 gallons (£261); chillies, 20 cwt. (£35); passion-fruit juice (£2).

TRADE OF TRINIDAD IN 1938

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Port of Spain, June 19, 1939.—The value of Trinidad's total trade in 1938, exclusive of re-exports, was \$69,238,713 as compared with \$67,366,187 in 1937 and was the highest figure for the past few years. The gain was due to a seven per cent increase in domestic exports, which were valued at \$33,741,592 compared to \$31,530,673 in 1937. Imports, valued at \$35,497,121, showed a decline of \$338,393 from the value of \$35,835,514 for the previous year.

TOTAL IMPORTS AND EXPORTS ACCORDING TO COUNTRIES

Imports and exports, including re-exports, were distributed as follows according to countries in 1938 and 1937:—

		Excess			
Empire countries—		Imports	Exports	Imports	Exports
United Kingdom.. . . .	1938	\$12,913,106	\$15,461,722	.....	\$2,548,616
	1937	12,886,789	14,318,745	.....	1,431,956
Canada	1938	4,229,815	2,497,970	\$1,731,845	
	1937	4,342,097	1,399,610	2,942,487	
British West Indies.. . . .	1938	187,028	1,719,332	.....	1,532,304
	1937	196,282	2,255,724	.....	2,059,442
British Guiana	1938	290,297	374,643	.....	84,346
	1937	348,407	331,794	16,613	
Australia	1938	452,654	191,127	261,527	
	1937	506,910	114,470	392,440	
New Zealand.. . . .	1938	80,141	40,119	40,022	
	1937	85,362	39,750	45,612	
India.. . . .	1938	1,340,448	.....	1,340,448	
	1937	1,248,960	.....	1,248,960	
Foreign countries—					
United States.. . . .	1938	\$ 8,259,800	\$ 1,774,757	\$6,485,043	
	1937	8,379,596	3,057,505	5,322,091	
Germany	1938	1,333,251	382,034	951,217	
	1937	1,243,001	501,863	741,138	
Netherlands	1938	913,075	178,589	734,486	
	1937	760,264	400,799	359,465	
Venezuela.. . . .	1938	1,489,774	426,516	1,063,258	
	1937	1,899,893	398,534	1,501,359	
Japan	1938	478,704	.....	478,704	
	1937	605,476	.....	605,476	
France	1938	319,505	111,487	208,018	
	1937	386,735	296,009	90,726	
Argentina	1938	346,055	31,772	314,283	
	1937	312,191	51,727	260,464	
Belgium	1938	207,493	239,559	.....	32,066
	1937	256,336	236,702	19,634	
Denmark	1938	106,509	11,988	94,521	
	1937	88,557	8,069	80,488	
Italy	1938	68,973	201,903	.....	132,930
	1937	73,504	23,809	49,695	
Portugal	1938	64,406	55,723	8,683	
	1937	46,619	176,042	.....	129,423
Spain	1938	36,918	150	36,765	
	1937	43,814	.....	43,814	

DOMESTIC EXPORTS

The following table shows the principal domestic exports from Trinidad in 1938 and 1937:—

	1938		1937		Per Cent Inc. or Dec. in Value
	Quantity	Value	Quantity	Value	
Crude oil .. . . .gal.	22,945,116	\$ 571,160	21,753,223	\$ 489,737	+ 16.6
Fuel oil .. . . .gal.	384,732,041	11,348,699	336,305,827	9,040,654	+ 25.5
Gas oil .. . . .gal.	27,173,343	1,297,535	26,403,924	1,093,318	+ 18.7
Kerosene .. . . .gal.	3,693,074	357,804	4,218,725	420,796	- 14.9
Motor spirit.. . . .gal.	134,903,479	9,987,296	104,611,997	7,766,341	+ 28.5
Road oil .. . . .gal.	1,145,264	93,034	1,044,756	84,422	+ 10.2
Raw cocoa .. . . .cwt.	378,897	2,369,286	234,452	3,086,995	- 23.2

	1938		1937		Per Cent Inc. or Dec. in Value
	Quantity	Value	Quantity	Value	
Raw coffeecwt.	6,140	\$ 40,504	15,651	\$ 134,758	— 69.6
Sugarcwt.	2,405,163	4,957,963	2,854,937	6,115,294	— 18.9
Molassescwt.	303,016	139,441	532,356	220,576	— 36.8
Rumpr. gal.	84,389	59,314	157,460	89,859	— 33.9
Bitterspr. gal.	11,071	114,788	10,689	112,977	+ 1.6
Asphalttons	85,089	1,131,078	90,872	1,194,914	— 5.3
Grapefruitnumber	6,405,142	318,243	4,062,033	187,579	+ 69.6
Copracwt.	83,818	194,224	154,259	542,801	— 64.2

It will be noted from the above table that the advance in exports for 1938 was largely the result of improved shipments of petroleum products. Sugar, the most important agricultural product of the Colony, showed a decline in production and exports, as the heaviest rains since 1893 interfered with grinding operations. The volume of raw cocoa exported increased, but the price was low, with the result that the total value of cocoa exports for 1938 was less than in 1937. The only outstanding increase in exports of agricultural products was in grapefruit and grapefruit juice, a comparatively new development in Trinidad.

DISTRIBUTION OF EXPORTS

Since 1928 there has been a considerable reorientation in Trinidad's export trade. At that time the United States was the main country of destination, but following the depression the exports of raw cocoa and petroleum products to the United States dropped heavily. The United Kingdom, which purchases most of the petroleum products exported, is now the principal country of destination.

EXPORTS TO THE UNITED KINGDOM

Domestic exports to the United Kingdom in 1938 were valued at \$15,351,229 as compared with \$14,143,620 in 1937, thereby continuing the steady upward trend since 1931 when the value was \$3,615,888.

The main items exported according to value were as follows: motor spirit, \$6,330,490 (\$5,090,202 in 1937); fuel oil, \$4,030,080 (\$1,632,959); sugar, \$3,101,305 (\$5,260,732); crude petroleum, \$475,000 (\$257,983); dried asphalt, \$482,791 (\$575,351); grapefruit, \$295,285 (\$175,347); raw cocoa, \$216,343 (\$511,856); molasses, \$102,272 (\$85,860); and copra, \$81,170 (\$183,890).

EXPORTS TO CANADA

Domestic exports to Canada, which in 1938 was the second largest market for Trinidad's products, were valued at \$2,438,967 as compared with \$1,378,946 in 1937. The increase was due mainly to improved sugar exports valued at \$1,856,314 as against \$853,950 in the previous year. Other exports were: raw cocoa, \$331,496 (\$149,985 in 1937); grapefruit juice, \$75,225 (\$32,565); bananas, \$44,004 (\$32,034); molasses, \$36,397 (\$116,090); and raw coffee, \$26,779 (\$100,768).

EXPORTS TO THE UNITED STATES

Domestic exports to the United States in 1938 were valued at \$1,360,709 as compared with \$2,201,589 in the previous year, the main items being: raw cocoa, \$1,009,482 (\$1,393,840 in 1937); lime oil, \$85,539 (\$156,828); asphalt cement, \$94,080 (\$92,724); and tonka beans, \$68,224 (\$80,797).

EXPORTS TO OTHER COUNTRIES

Petroleum products were the main items of export to British West Indies markets, British Guiana, Italy, and Portugal, while raw cocoa and asphalt were

the principal products exported to Germany, Belgium, the Netherlands, France, Australia, and New Zealand.

IMPORTS

The principal products imported into Trinidad in 1938 from Empire countries other than the United Kingdom and Canada consisted of rice (\$204,889) from British Guiana; live animals and fowls for food (\$68,726) from British West Indies; rice (\$789,273) and jute bags (\$222,812) from India; flour (\$391,748) from Australia; and butter (\$64,858) from New Zealand.

The principal products imported from foreign countries other than the United States were as follows:—

Germany.—Machinery, \$500,950; barytes, \$267,509; hardware, \$91,191; and glassware, \$60,698.

Netherlands.—Condensed milk, \$464,703; machinery, \$163,246; beans and peas, \$77,712; and metal manufactures, \$32,980.

Venezuela.—Crude petroleum, \$752,005; raw cocoa, \$521,042; and live animals for food, \$181,940.

Japan.—Silk and silk manufactures, \$178,347; apparel, \$117,984; cotton manufactures, \$69,587.

France.—Butter, \$62,278; edible oils, \$61,451; silk manufactures, \$36,343; and wines, \$46,192.

Argentina.—Meats, \$274,742.

Belgium.—Metal manufactures, \$69,158; and railway rolling stock, \$32,318.

Denmark.—Meats, \$54,239; and condensed milk, \$37,827.

Italy.—Silk and silk manufactures, \$37,783.

Spain.—Wines, \$24,694.

The decrease of \$338,393 in Trinidad's import trade, valued at \$35,497,121 in 1938, was due mainly to a decline in the prices of some of the leading commodities imported, especially flour, the reduction in oilfield equipment, and a recession in both the price and the volume of textiles, wearing apparel and other dry goods imported. These latter products were overstocked in 1937 in anticipation of an imminent European war.

Trinidad crop returns were lower in 1938 than in 1937 for sugar, coconuts, tonka beans, and coffee, which with the low price of cocoa may have contributed to reduction in sales of imported products.

IMPORTS OF MANUFACTURED PRODUCTS

Manufactured products constitute the most important group of commodities imported into Trinidad.

The total value of imports under this heading in 1938 was \$24,163,511 or 68 per cent of the total import value of all commodities as compared to \$24,274,297 or 66 per cent of the total in 1937. The decrease of \$110,786 was due mainly to reduced imports of oilfield equipment, textiles and wearing apparel, paints, common soap, and glassware.

The following are the values of the principal manufactured products imported:—

	1938	1937	Inc. or Dec.
Machinery	\$3,413,478	\$3,454,373	— \$ 40,895
Pipes and tubing	3,959,621	4,213,504	— 153,884
Iron and steel manufactures	2,511,167	2,532,031	— 20,864
Cutlery, hardware, implements and instruments	796,848	718,425	+ 78,423
Non-ferrous metal manufactures	320,319	279,716	+ 40,603
Motor cars, lorries, and vans	576,295	625,874	— 49,579
Vehicles (other kinds) and parts	792,089	1,003,751	— 211,662
Cotton piece-goods	1,075,922	1,112,483	— 36,561
Apparel	659,050	722,775	— 63,725
Boots, shoes, and slippers	540,777	658,118	— 117,341
Silk and artificial silk manufactures	591,015	649,519	— 58,504
Wool and wool manufactures	325,986	359,480	— 33,494

	1938	1937	Inc. or Dec.
Cotton manufactures	\$ 15,322	\$ 344,364	—\$ 29,042
Hats and caps	202,647	232,689	— 30,042
Cordage and twine	93,330	119,860	— 26,530
Hosiery	100,179	102,099	— 1,920
Painters' colours and materials	690,642	752,582	— 61,940
Cement	751,480	604,112	+ 147,368
Electrical apparatus	654,967	482,959	+ 172,008
Paper and paper manufactures	401,180	385,252	+ 15,928
Chemicals	350,305	324,168	+ 26,137
Manures and fertilizers	288,379	286,041	+ 2,338
Common soap	198,763	240,256	— 41,493
Medicines and drugs	234,878	207,090	+ 27,788
Glass and glassware	178,117	193,294	— 15,177
Lubricating oil	195,698	170,342	+ 25,356
Wood and timber manufactures	178,439	136,067	+ 42,372

IMPORTS OF FOODSTUFFS

Next to manufactured products, foodstuffs make up the most important group of commodities imported into Trinidad. The value of imports under this heading in 1938 amounted to \$8,860,491 or 24·9 per cent of total imports as compared with \$9,076,947 or 25 per cent of total imports in 1937. The decrease of \$216,456 in the value of imported foodstuffs was due largely to a reduction in imports of flour valued at \$1,779,536 (\$2,082,185 in 1937), and of raw cocoa valued at \$521,346 (\$991,076), and to smaller reductions in imports of live cattle, bacon and hams, and tea.

Nevertheless the importation of foodstuffs in general tended to increase. The volume of flour imports, despite a decrease in value, was appreciably more than in 1937; condensed milk imports were valued at \$746,047 (\$580,489 in 1937), and there were also increases in frozen beef, \$104,302 (\$68,297); rice, \$998,764 (\$895,339); codfish, \$384,584 (\$354,769); tobacco, \$256,039 (\$232,000); beer, \$128,706 (\$107,254); butter, \$340,408 (\$329,186); and sundry other items of lesser value.

IMPORTS FROM THE UNITED KINGDOM

In 1938 imports into Trinidad from the United Kingdom, the principal source of supply, were valued at \$12,913,105, amounting to 36·34 per cent of the total value of imports. Although this was a slight decrease from the 36·53 per cent of the previous year, there was a small gain of \$26,316 in the value of imports.

Manufactured products accounted for \$11,602,409 of the shipments received from the United Kingdom, or \$119,335 more than in 1937.

There were increases in imports from the United Kingdom of the following principal products:—

Tubes, pipes and fittings (up to 6 inches in diameter), \$1,184,797 (\$961,096 in 1937); internal combustion engines other than for vehicles and marine purposes, \$246,724 (\$76,281); cement, \$631,018 (\$496,769); manufactures of iron and steel n.o.p., \$377,421 (\$272,621); insulated electrical cables, \$141,305 (\$73,064); electrical goods and apparatus n.o.p., \$122,374 (\$60,667); asbestos sheets and slates, \$103,282 (\$50,926); angles, shapes and sections, \$335,848 (\$279,663); metal furniture, \$83,839 (\$48,696); manufactures of brass and copper alloys, \$122,964 (\$67,296); machinery n.o.p., \$325,994 (\$291,463); artificial silk manufactures, \$161,620 (\$154,826); proprietary medicines, \$71,057 (\$64,375); ready-mixed paints, \$66,627 (\$48,708); lubricating oil, \$91,734 (\$78,376); manufactures of paper n.o.p., \$81,962 (\$61,648); stationery, \$101,251 (\$85,450); sulphate of ammonia, \$249,643 (\$226,111); and printed books, \$83,723 (\$79,871).

The outstanding reductions were in:—

Tubes, pipes and fittings (over 6 inches in diameter), \$1,132,406 (\$1,327,327 in 1937); printed cottons, \$275,480 (\$346,430); leather boots and shoes, \$389,487 (\$442,758); corrugated iron, \$149,539 (\$200,769); and common soap, \$188,193 (\$232,553).

Imports of foodstuffs from the United Kingdom were valued at \$1,237,789 in 1938 as compared with \$1,386,420 in the previous year—a decrease of \$148,631, due largely to a drop in imports of flour amounting to \$114,985 and in those of condensed milk totalling \$22,755. There were moderate gains in the values of the importations of bacon and hams, confectionery, beer, and whisky.

IMPORTS FROM THE UNITED STATES

Imports from the United States failed to continue the strong upward movement which was the outstanding feature of Trinidad's import trade in 1937. Showing a slight recession of \$119,796, imports dropped from their record figure of \$8,379,596, or 23·75 per cent of the total value of imports in 1937, to \$8,259,800 or 23·26 per cent of the total in 1938. The principal decreases were in oil refining machinery valued at \$245,378 (\$516,470 in 1937); tubes, pipes and fittings, \$1,050,523 (\$1,409,427); machines and machinery n.o.p., \$941,572 (\$1,032,502); and coal, \$271,074 (\$357,089).

The main manufactured and semi-manufactured products showing increases were:—

Oil-mining machinery, \$543,631 (\$409,891); pitch pine, \$554,544 (\$497,677); angles, shapes and sections, \$205,536 (\$170,522); implements and tools n.o.p., \$181,605 (\$108,432); electrical goods n.o.p., \$108,008 (\$96,689); electrical machinery, \$101,143 (\$94,719); internal combustion engines, other than marine, \$139,855 (\$63,148); ground barytes, \$153,603 (\$132,700); brass and copper alloy manufactures, \$58,228 (\$45,714); motor vehicles, other than cars, trucks, and motor cycles, \$79,866 (\$19,401); printed cottons, \$84,308 (\$40,196); hardware, other than hollow-ware, \$46,217 (\$28,528); and rails, \$38,283 (\$7,248).

Of the foodstuffs imported from the United States, flour became an important item in 1938 with a value of \$107,581 as against only \$3,656 in the previous year. Increases also took place in pickled pork, \$68,709 (\$40,547 in 1937); leaf tobacco, \$220,438 (\$198,005); and linseed cake meal, \$91,078 (\$88,117).

TRADE WITH CANADA

The value of imports into Trinidad from Canada declined below the 1937 total of \$4,342,097 by \$112,282, as indicated by the following comparative figures for the years 1936 to 1938:—

	1936	1937	1938
Imports from Canada	\$3,282,202	\$4,342,097	\$4,229,815
Exports to Canada	2,988,522	1,399,707	2,438,967
Total	\$6,270,724	\$5,741,804	\$6,668,782

Imports from Canada in 1938 accounted for 11·91 per cent of the total import trade as compared with 12·35 per cent in 1937.

A moderate increase in Trinidad's exports to Canada in 1938 reduced the balance of trade favourable to Canada to \$1,790,848 as compared with \$2,942,390 in 1937, but it was still considerably higher than the balance of \$293,680 in 1936.

FOODSTUFFS

With the exception of flour, foodstuffs imported from Canada showed little variation in total values from the previous year. Flour prices, however, were lower in 1938, with the result that, while the volume of flour imported from Canada increased, the total value was lower by \$226,365. On the other hand, the value of oats imported rose by \$18,132; pickled pork, \$11,657; beer, \$10,538; canned fish, \$10,511; apples, \$9,645; eggs, \$7,497; fresh vegetables (cabbages and carrots), \$6,962; and canned vegetables by \$4,362. Imports of beer, eggs, and cabbages are comparatively recent developments.

MANUFACTURED PRODUCTS

The importation of two railway locomotives from Canada in 1938 accounted for the largest single increase in any one class of products, which in this case was \$89,000. Metal furniture—mainly office equipment—showed the next largest increase, \$43,550. Other items in which there were increases were: motor truck chassis, \$31,590; rubber tires (outer covers), \$26,133; cement, \$20,899;

vehicle parts, \$18,165; lorries and vans, \$20,050; shirts, \$16,285; proprietary medicines, \$10,372; silk hosiery, \$6,184; and lubricating oil, \$6,623.

The heaviest reduction in manufactured imports was in oil-refining machinery to the extent of \$47,566, followed by canvas shoes with rubber soles, \$35,419; steel bars and rods, \$35,058; railway trucks and carriages, \$33,194; printing paper, \$26,218; motor cars exceeding 3,000 pounds in weight, \$20,555; steel tubes and pipes, \$18,888; wire nails, \$16,144; manufactures of iron and steel, n.o.p., \$11,666; and steel shapes and sections, \$7,802.

LUMBER

Canadian Western red cedar is steadily gaining acceptance in the building trade, the value of 1938 imports increasing by \$22,044, but Douglas fir dropped in value by \$40,881, other sorts of lumber by \$16,782, and shooks and staves by \$19,725.

DETAILS OF IMPORTS

Following are details of imports in 1938 of particular interest to Canadian shippers, 1937 figures being given within parentheses:—

FOODSTUFFS

Flour.—Total, 614,109 cwt., \$1,779,536 (597,196 cwt., \$2,082,185 in 1937): Australia, \$391,748; United Kingdom, \$216,535; United States, \$107,581; Canada, \$1,063,658 (\$1,290,023 in 1937).

Oats.—Total, 44,201 cwt., \$96,974 (40,182 cwt., \$96,242): United Kingdom, \$16,713; Canada, \$78,733 (\$60,601).

Maize Meal.—Total, 8,367 cwt., \$19,311 (7,330 cwt., \$18,182): Canada, \$14,823 (\$6,542).

Manufactured Cereals n.o.p.—Total, 5,438 cwt., \$61,011 (5,670 cwt., \$60,405): United States, \$32,491; United Kingdom, \$4,648; Canada, \$22,164 (\$22,451).

Commercial Mixed Feeds, Grains.—Total, 268 tons, \$14,099 (230 tons, \$13,490): Canada, \$12,459 (\$12,478).

Pickled and Salted Pork.—Total, 16,330 cwt., \$149,521 (14,103 cwt., \$139,133): United States, \$68,709; Argentina, \$26,410; Canada, \$50,683 (\$39,026).

Eggs in Shell.—Total, 3,050 great hundreds, \$10,903 (844 great hundreds, \$2,805): Canada, \$10,190 (\$2,693).

Condensed Milk.—Total, 79,884 cwt., \$745,032 (75,600 cwt., \$579,645): Netherlands, \$464,703; Norway, \$156,962; United Kingdom, \$54,816; Denmark, \$37,827; Canada, \$20,225 (\$24,151).

Fresh Apples.—Total, 4,802 cwt., \$26,848 (3,641 cwt., \$19,839): United States, \$4,779; Canada, \$21,825 (\$12,180).

Potatoes.—Total, 92,981 cwt., \$160,917 (\$6,387 cwt., \$153,405): Netherlands, \$17,351; Argentina, \$10,928; Canada, \$127,809 (\$122,808).

Fresh Vegetables, Other than Potatoes and Onions.—Total, 27,376 cwt., \$60,980 (31,891 cwt., \$61,498): British West Indies, \$19,346; Venezuela, \$10,806; Canada, \$20,859 (\$13,897).

Beer.—Total, 3,820 bbl. (of 36 gal.), \$128,706 (3,315 bbl., \$107,254): United Kingdom, \$89,758; United States, \$5,379; Canada, \$28,309 (\$17,771).

Cured and Salted Codfish.—Total, 53,835 cwt., \$384,584 (49,885 cwt., \$354,769): Newfoundland, \$99,898; Canada, \$277,505 (\$272,146).

Cured and Salted Fish, Other than Cod.—Total, 7,391 cwt., \$48,494 (7,462 cwt., \$48,850): United States, \$3,005; Newfoundland, \$6,144; Canada, \$34,505 (\$34,146).

Canned Fish.—Total, 9,162 cwt., \$133,209 (8,699 cwt., \$116,926): United States, \$30,978; Canada, \$87,643 (\$77,132).

Cheese.—Total, 6,481 cwt., \$130,151 (6,449 cwt., \$123,797): Netherlands, \$10,566; Canada, \$103,047 (\$96,475).

Canned and Preserved Vegetables.—Total, 3,096 cwt., \$38,021 (2,771 cwt., \$33,545): United Kingdom, \$4,495; United States, \$4,867; Canada, \$18,031 (\$13,669).

Preparations and Provisions for Use as Food, n.o.p.—Total, \$144,903 (\$125,145): United Kingdom, \$81,550; United States, \$25,454; Canada, \$24,510 (\$20,315).

MANUFACTURED PRODUCTS

Cement.—Total, 48,066 tons, \$751,480 (43,280 tons, \$604,112): United Kingdom, \$631,018; Germany, \$30,364; Canada, \$73,186 (\$52,287).

Steel and Iron Manufactures, Bars and Rods.—Total, 371 tons, \$97,242 (2,871 tons, \$194,606): Great Britain, \$42,122; United States, \$22,543; Canada, \$17,810 (\$52,868).

Angles, Shapes, Sections, Girders, Beams (Steel).—Total, 4,705 tons, \$584,185 (4,320 tons, \$493,887): United States, \$205,536; United Kingdom, \$335,848; Netherlands, \$25,156; Canada, \$13,619 (\$21,421).

Tubes, Pipes and Fittings (up to 6-Inch Diameter).—Total, 13,184 tons, \$2,150,276 (15,786 tons, \$2,208,690): United Kingdom, \$1,184,797; United States, \$735,745; Germany, \$150,116; Canada, \$39,552 (\$58,440).

Wire Nails and Staples.—Total, 555 tons, \$34,231 (952 tons, \$53,558): United Kingdom, \$5,998; Canada, \$24,947 (\$41,091).

Metal Furniture.—Total, 479 tons, \$199,780 (449 tons, \$131,291): United Kingdom, \$83,839; United States, \$45,482; Canada, \$66,636 (\$23,086).

Manufactures of Iron and Steel n.o.p.—Total, \$750,154 (\$646,432): United Kingdom, \$377,421; United States, \$272,724; Belgium, \$45,689; Germany, \$45,137; Canada, \$5,564 (\$17,230).

Electrical Goods and Apparatus n.o.p.—Total, \$249,191 (\$194,024): United Kingdom, \$122,374; United States, \$108,008; Canada, \$10,566 (\$7,504).

Wooden Furniture and Cabinet Ware.—Total, \$106,832 (\$86,955): Poland, \$50,161; United Kingdom, \$8,105; Canada, \$17,442 (\$13,438).

Apparel, Shirts.—Total, \$192,790 (\$245,466): Hongkong, \$100,934; United Kingdom, \$29,605; Canada, \$45,552 (\$29,267).

Boots and Shoes n.o.p. (excluding Rubber-soled Shoes).—Total, 32,395 doz. pairs, \$437,110 (34,599 doz. pairs, \$497,620): United Kingdom, \$389,487; Czecho-Slovakia, \$23,204; Canada, \$14,210 (\$5,787).

Silk Hosiery.—Total, 5,450 doz. pairs, \$31,556 (4,799 doz. pairs, \$25,754): Canada, \$30,002 (\$23,818).

Calcium Carbide.—Total, 4,864 cwt., \$24,218 (4,544 cwt., \$23,003): United Kingdom, \$3,632; Canada, \$18,159 (\$17,046).

Proprietary Medicines.—Total, \$174,443 (\$150,325): United Kingdom, \$71,057; United States, \$51,844; Canada, \$32,491 (\$22,119).

Ready-mixed Paints.—Total, 6,746 cwt., \$109,710 (6,150 cwt., \$93,382): United Kingdom, \$66,627; United States, \$13,333; Canada, \$25,095 (\$25,689).

Lubricating Oil.—Total, 440,295 gal., \$191,739 (352,368 gal., \$167,202): United Kingdom, \$91,734; United States, \$47,048; Canada, \$42,764 (\$36,141).

Toilet Soap.—Total, 2,494 cwt., \$55,631 (2,127 cwt., \$49,343): United Kingdom, \$34,752; United States, \$5,478; Canada, \$14,064 (\$12,523).

Printing Paper.—Total, 8,650 cwt., \$30,487 (17,253 cwt., \$50,315): United Kingdom, \$10,217; Canada, \$17,165 (\$43,383).

Packing and Wrapping Paper.—Total, 19,862 cwt., \$103,590 (18,730 cwt., \$99,414): Sweden, \$48,320; Denmark, \$7,720; Canada, \$20,702 (\$16,227).

Paper Bags.—Total, 9,833 cwt., \$63,497 (9,637 cwt., \$62,946): United States, \$34,160; United Kingdom, \$7,364; Canada, \$17,217 (\$22,003).

Wallboards (exceeding ¼ Inch in Thickness).—Total, 7,023 cwt., \$37,113 (4,422 cwt., \$22,262): Finland, \$14,828; Canada, \$13,432 (\$6,357).

Manufactures of Paper n.o.p.—Total 7,198 cwt., \$130,774 (5,954 cwt., \$110,213): United Kingdom, \$81,962; United States, \$19,794; Canada, \$18,327 (\$18,030).

Rail Locomotives.—Total, 224 tons, \$143,127 (30 tons, \$15,365): United States, \$33,660; Canada, \$89,000 (nil).

Complete Railway Carriages and Trucks.—Total, 348 tons, \$45,748 (1,226 tons, \$135,672): Belgium, \$28,555; Great Britain, \$5,956; Canada, \$9,660 (\$42,854).

Motor Cars (not exceeding 3,000 Pounds in Weight).—Total number, 560, \$399,894 (663, \$436,397): United Kingdom, \$109,314; Germany, \$20,490; United States, \$4,558; Canada, \$265,532 (\$274,724).

Motor Cars (exceeding 3,000 Pounds in Weight).—Total number, 79, \$80,131 (118, \$116,380): United States, \$13,141; United Kingdom, \$12,627; Canada, \$54,363 (\$74,918).

Lorries and Vans.—Total number, 141, \$96,270 (114, \$73,097): United Kingdom, \$17,791; United States, \$17,982; Canada, \$60,064 (\$40,014).

Vehicles (Other Sorts).—Total number, 57, \$91,105 (32, \$39,266): United States, \$79,866; Canada, \$8,993 (\$7,111).

Motor Tires (Outer Covers).—Total number, 13,091, \$154,565 (11,587, \$125,870): United Kingdom, \$43,738; United States, \$13,740; Canada, \$94,168 (\$68,035).

Chassis for Commercial Vehicles (with or without Engine or Tires).—Total number, 306, \$226,601 (280, \$196,601): United Kingdom, \$39,795; United States, \$27,983; Canada, \$158,823 (\$127,233).

Vehicle Parts n.o.p.—Total, \$142,811 (\$129,164): United States, \$72,995; United Kingdom, \$31,528; Canada, \$35,439 (\$17,274).

Boots and Shoes Wholly or Partly of Rubber.—Total, 24,303 doz. pairs, \$101,341 (38,552 doz. pairs, \$159,115): United Kingdom, \$18,810; Hongkong, \$12,266; Czecho-Slovakia, \$16,654; India, \$17,291; Canada, \$36,310 (\$71,729).

Rubber Heels and Soles.—Total, 449 cwt., \$7,373 (276 cwt., \$5,120): Canada, \$6,638 (\$2,497).

Rubber Manufactures n.o.p.—Total, \$85,954 (\$88,629): United States, \$43,616; United Kingdom, \$28,884; Canada, \$9,189 (\$12,086).

DRESSED LUMBER

Douglas Fir.—Total, 1,438,800 ft. b.m., \$63,295 (1,462,800 ft. b.m., \$65,016): Canada, \$63,121 (\$65,016).

Cedar.—Total, 629,000 ft. b.m., \$58,992 (889,200 ft. b.m., \$38,312); all from Canada.

Other Sorts (White and Yellow Pine; some Spruce).—Total, 654,000 ft. b.m., \$46,581 (637,800 ft. b.m., \$41,756): Canada, \$46,581 (\$39,954).

UNDRESSED LUMBER

Douglas Fir.—Total, 3,760,800 ft. b.m., \$137,810 (4,360,200 ft. b.m., \$176,796); all from Canada.

Cedar.—Total, 80,400 ft. b.m., \$3,484 (50,400 ft. b.m., \$2,156): Canada, \$3,484 (\$2,120).

Other Sorts.—Total, 165,000 ft. b.m., \$9,226 (729,000 ft. b.m., \$31,444): Canada, \$8,035 (\$31,444).

Shooks and Staves (Other than White Oak).—Total, \$102,083 (\$103,578): United States, \$70,798; Canada, \$28,249 (\$47,974).

Imports in 1938 and 1937 from Canada to a value of between \$5,000 and \$10,000 were as follows:—

	Total Value 1938	Value from Canada 1938	1937
Manufactured products—			
Motor tires (inner tubes)	\$ 16,406	\$ 9,333	\$ 6,503
Printed books	155,691	9,217	10,864
Rubber manufactures n.o.p.	85,954	9,189	12,086
Motor vehicles (other than motor cars and trucks)	91,105	8,993	7,111
Medicines n.o.p.	29,301	8,616	6,512
Women's outer apparel	84,576	8,614	9,646
Manufactures of brass and copper alloy	216,126	8,186	6,661
Stationery	124,638	8,051	6,162
Medicinal oils	17,878	7,502	6,283
Machines and machinery n.o.p.	1,393,124	7,462	3,937
Wire netting and mesh	36,401	7,192	9,714
Paper board (excluding wallboard)	21,757	6,968	323
Hardware (other than hollow-ware)	128,917	6,832	3,599
Builders' woodwork	28,013	6,707	3,736
Rubber heels and soles	7,373	6,638	2,497
Men's shorts and vests	83,829	6,604	9,398
Common soap	194,729	6,212	7,693
Solid cosmetics	83,443	6,293	9,821
Manufactures of wood n.o.p.	37,952	6,267	5,873
Gray cotton (unbleached)	51,333	6,022	5,608
Typewriters	27,376	5,833	4,786
Neckties	15,514	4,409	4,948
Foodstuffs—			
Commercial mixed feeds	14,922	7,380	5,494
Canned fruit	18,456	6,535	7,265
Unsweetened biscuits	12,632	5,416	6,948
Pickles, sauces, etc.	16,734	5,111	3,558
Vegetables and pickles in vinegar	12,541	4,045	2,526
Hay	3,512	3,207	3,084

Other foodstuff imports from Canada were:—

Linseed cake meal, \$2,401 (nil in 1937); bacon and hams, \$799 (\$2,549); smoked or cured meats, \$1,337 (\$859); butter, \$1,451 (\$4,076); eggs (not in shell), \$4,509 (\$5,432); onions, \$3,990 (\$1,184); cocoa preparations (confectionery), \$4,636 (\$4,276); confectionery (other sorts), \$2,362 (\$2,259); coffee, \$2,877 (\$1,781); still wines, \$1,545 (\$1,318); fresh frozen fish, \$1,348 (\$278); jams, \$1,413 (\$1,123); lard, \$4,026 (\$4,649); icing sugar, \$3,471 (\$1,526); sugar, \$1,613 (\$1,497). Unmanufactured leaf tobacco was imported to a value of \$3,606 (\$8,577).

Other manufactured products imported from Canada were:—

Pottery and clay products, \$2,365 (\$302); glass bottles and jars, \$1,454 (\$712); fencing wire, \$2,838 (\$818); wire manufactures n.o.p., \$4,758 (\$6,034); domestic and sanitary goods (other than furniture and hollow-ware), \$1,247 (\$530); razor blades, \$3,736 (\$3,833); photographic appliances n.o.p., \$2,731 (\$488); clocks and watches, \$2,003 (\$1,574); insulated wires and cables, \$1,679 (\$728); telephone and telegraph apparatus n.o.p., \$3,484 (\$5,142); electric lighting appliances, \$2,162 (\$3,733); primary batteries, \$1,334 (\$4,428); electrical machinery, \$2,018 (\$853); oil mining machinery, \$1,458 (\$523); oil refining machinery, \$3,272 (\$50,838); cotton string, \$4,976 (\$3,185); hemp rope, \$1,553 (\$3,190); other ropes, \$1,483 (\$3,616); hats, caps, etc., \$1,739 (\$3,043); cotton hosiery, \$3,307 (\$4,585); fancy woollen hosiery, \$3,771 (\$2,693); ready-mixed enamels, \$4,154 (\$5,878); distempers, \$3,399 (\$786); lubricating grease, \$4,205 (\$1,571); turpentine, \$2,207 (\$1,239); dressed leather, \$3,500 (\$4,903); leather trunks and bags, etc., \$2,944 (\$3,069); wallboard (not exceeding $\frac{1}{4}$ inch in thickness), \$1,998 (\$3,826); household brooms and brushes, \$4,010 (\$3,200); toilet brushes, \$2,404 (\$2,309); painters' brushes, \$3,083 (\$2,201); goldsmiths' and silversmiths' wares, \$1,927 (\$192); lamps and lanterns \$1,189 (\$1,287); machinery belting, \$2,056 (\$944); shingles, \$3,539 (\$2,721); live animals (horses), \$2,217 (\$2,840).

NETHERLANDS COMMODITY MARKETS IN 1938

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

(One florin or guilder equals \$0.53 $\frac{1}{2}$ approximately at current rate of exchange; one metric ton equals 2,205 pounds; one cubic metre equals 35.314 cubic feet)

IV

VEHICLES

Automobiles are necessarily imported, as there is no manufacture of complete cars in the Netherlands. There are two assembling plants, and the demand is met chiefly by United States cars, which are put together in Antwerp and then brought into the Netherlands.

Shipbuilding and aeroplane construction are carried on extensively, and manufacturers engaged in these pursuits enjoyed good business during the past year. The railways are proceeding with a program of electrification calling for new types of light speedy trains.

RAILWAY ROLLING STOCK

As most of the stock now being used is manufactured in Holland, there is more demand for parts than for complete units. Electrical parts come principally from Switzerland. Imports increased greatly, totalling in value fl.1,-836,000 for the year under review. Steam locomotive parts are brought in mainly from Germany.

AUTOMOBILES

The development of the network of first-class motor roads continued throughout 1938. There is a good demand for autos, 1938 imports totalling 11,883 cars (fl.15,087,000). Of these, 5,279 units (fl.7,173,000) were credited to Belgium, mainly from the large assembly plants at Antwerp; 2,334 (fl.2,432,000) to Germany; 1,723 (fl.2,886,000) to the United States; and 1,413 (fl.1,455,000) to France.

The leading makes imported were: Opel, 2,289; Chevrolet, 2,084; D.K.W., 1,383; Citroen, 763; Fiat, 456; Renault, 415; Buick, 321; Skoda, 305; Plymouth, 305; Peugeot, 246; Packard, 246; Dodge, 244; Mercedes Benz, 213; Oldsmobile, 200; Hansa, 193; Adler, 185; Studebaker, 162; Nash, 161; Hudson, 159; Ford, 129; Chrysler, 125; Pontiac, 115; and De Soto, 105.

Fords and Willys have established assembly plants in Holland.

TRACTORS

In 1938 there were imports of 453 tractors (fl.808,000), of which 274 units (fl.536,000) came from the United States. Germany supplied 64 (fl.142,000) and Great Britain 93 (fl.90,000). The chief makes imported were Fordson (91) and MacCormack (85).

TRUCKS

Imports of trucks totalled 675 units (fl.671,000). Of these, 282 (fl.302,000) were from Belgium and 239 (fl.215,000) from Germany. German trucks, D.K.W. and Opel, were the most popular, 192 of the former and 138 of the latter being brought in during 1938. Chevrolet trucks were third with 134.

CAR CHASSIS

There were 276 chassis of passenger cars (fl.777,000) imported during the year under review. Of these, Germany supplied 104 (fl.459,000), the United States 93 (fl.141,000), Great Britain 13 (fl.74,000), and Belgium 53 (fl.69,000). Mercedes-Benz was the leading make (40), followed by Packard (37), Chevrolet (36), and Krupp (33).

TRUCK CHASSIS

Arrivals of truck chassis totalled 3,545 (fl.5,311,000). They came principally from Belgium, 2,168 (fl.2,969,000); and the United States, 1,103 (fl.1,677,000). Chevrolet (1,677 chassis) were in the majority, followed by International (359), Opel (311), Diamond (214), Dodge (136), and Federal (128).

AUTOMOBILE ACCESSORIES AND PARTS

Under this heading there were imports of 9,166 tons (fl.5,929,000). Almost 60 per cent of these came from the United States, the remainder being divided chiefly between Germany, Belgium, and Great Britain. Arrivals from Canada under this item have been negligible.

TIRES

A branch of a well-known international concern has recently begun the manufacture of automobile tires in Holland. Arrivals are still heavy, however, and in 1938 there were 257,000 tires (fl.4,566,000) imported. These came mainly from Great Britain and the United States. Canada's share declined as compared with 1937, as shown in the following table:—

	1937		1938	
	Units	Fl. 1,000	Units	Fl. 1,000
Total	256,445	4,360	257,439	4,566
Germany	27,859	583	10,895	233
Belgium	11,006	195	21,909	391
United Kingdom	81,848	1,475	81,272	1,492
France	5,467	87	12,882	188
Czecho-Slovakia	8,284	131	18,632	282
Italy	9,013	102	15,237	171
Netherlands India	815	10	9,339	213
Canada	26,536	499	6,705	179
United States	83,046	1,227	74,345	1,318

INNER TUBES

These also were chiefly from Great Britain and the United States. Total arrivals remained at approximately the same level as in 1937, amounting to 199,000 tubes (fl.444,000). The proportion forwarded by Canada declined as shown in the following table:—

	1937		1938	
	Units	Fl. 1,000	Units	Fl. 1,000
Total	199,048	447	199,306	444
Germany	21,557	59	4,863	16
Belgium	6,745	16	18,565	40
United Kingdom	66,167	163	74,081	176
France	8,680	16	16,549	31
Czecho-Slovakia	18,331	38	17,251	33
Italy	4,757	8	5,338	9
Canada	9,890	28	1,832	7
United States	58,679	108	52,294	112

MOTOR CYCLES

Motor cycle imports increased considerably, the figures being 6,102 machines weighing under 132 pounds (fl.799,000) and 3,303 motor cycles (fl.1,122,000) of greater weight. These originated principally in Germany and Great Britain, although the United States supplied 195 of the heavier machines.

MOTOR CYCLE TIRES

In 1938 there were 18,000 motor cycle tires (fl.77,000) brought into the Netherlands, of which Great Britain supplied 7,000 (fl.39,000); Germany, 4,761 (fl.13,614); and Belgium, 4,181 (fl.14,758). Canada is credited with 162 tires (fl.1,070). Inner tubes for motor cycles were imported to the value of fl.15,000, mainly from Great Britain, Belgium, and Germany.

BICYCLES AND ACCESSORIES

The bicycle is the popular mode of transportation in Holland, there being approximately 4,000,000 wheels in daily use or almost one to every two persons in the country. Imports are therefore not large, although some 2,000 machines (fl.54,000) were brought in during 1938. Fifty per cent of these are of good quality from England, while the remainder are from Belgium, Japan, and Germany. There is also considerable business done in various bicycle parts, this being for the most part in the hands of German, Belgian, and United Kingdom shippers. Imports under this item are regulated by quota restrictions.

AUTOMOBILE BATTERIES

There are some small shipments of Canadian batteries, but these must meet keen competition from the internationally known marks and those batteries kept in stock by the automobile agents. Germany supplies the bulk of the imports.

ELECTRICAL MACHINERY AND APPLIANCES

GENERATORS

Arrivals of generators and dynamos advanced to 1,115 tons (fl.1,556,000). Germany, Great Britain, the United States, and Switzerland were the main sources of supply.

MOTORS

There were 27,533 small—that is motors weighing less than 11 pounds—electrical motors (fl.237,000) imported into Holland. Incoming shipments of heavier motors were 34,272 units (fl.2,707,000), of which the majority came from Belgium, although the value of supplies from Great Britain was high.

There is some demand for small electrical motors suitable for farm and household use, although so far Canadian traders have not been able to meet the prevailing competition.

RADIOS

The manufacture of radios is a large industry in Holland, and exports far exceed imports. Local producers enjoy a monopoly for the sale of complete sets, although some foreign makes are sold under licence in agreement with the chief Netherlands producer. There is therefore no market here for Canadian radios. Total imports were valued at fl.8,036,000 and exports at fl.44,837,000.

VACUUM CLEANERS

There were 22,577 vacuum cleaners imported, which, together with parts, were valued at fl.1,013,000. Sweden and Germany were the main shippers in 1938, followed by Great Britain and the United States, which were credited with smaller but important quantities.

ELECTRICAL METERS

Arrivals were valued at fl.1,615,000, of which Germany's share was fl.979,000 and Switzerland's fl.620,000. Canada was in third place with fl.5,338. Voltage and ampere meters came in to the value of fl.185,000, of which about 62 per cent were German. Canada supplied these to a value of fl.1,538.

ELECTRICAL APPARATUS AND EQUIPMENT FOR LIGHT AND POWER TRANSMISSION

Under this combined heading Canada is credited with fl.2,824. Total imports in this group were in excess of fl.15,900,000 in value.

ELECTRIC STOVES

These are not specified separately in the trade returns. Switzerland, Germany, and the United States supplied certain quantities. So far Canadian exporters have not been able to obtain any profitable business, due to distance, competitive prices and limited demand.

SEWING MACHINES

Arrivals of these were valued at fl.1,890,000. Great Britain's share was fl.1,003,000 and Germany's fl.712,000.

REFRIGERATORS

Imports of electrical refrigerators for household use advanced to 5,805 machines (fl.718,000). The United States obtained the bulk of this business with 3,111 units (fl.386,000), followed by Sweden with 1,426 machines (fl.147,000), Germany with 875 (fl.109,000), Belgium with 334 (fl.66,000), and Great Britain with 52 (fl.8,000). More electrical refrigerators are being used than formerly, but they are not used to nearly the same extent as in Canada or the United States. Current costs are high, voltage varies in the different towns, and retail prices are high, partly due to high import duties.

There were imports of miscellaneous refrigerators to a value of fl.646,000. The climate being temperate, the demand for household refrigeration is relatively small.

WASHING MACHINES AND WRINGERS

Arrivals of these and their parts are grouped together in the trade returns and amounted to 2,094 tons (fl.1,040,000). As in the past years, supplies come chiefly from Germany, followed by the United States, Belgium, and Great Britain. There was a slight decline in imports from the previous year's figures. Formerly there were some small shipments of Canadian washers to Holland, but it is difficult to compete against the established brands in the limited market.

FOREIGN TRADE OF SWEDEN IN 1938

RICHARD GREW, CANADIAN TRADE COMMISSIONER

(One Swedish krona equals approximately \$0.25 Canadian; 1,000 kilos or one metric ton equals 2,204 pounds)

Oslo, June 24, 1939.—The total value of Sweden's foreign trade decreased in 1938 by 5.3 per cent as compared with the previous year. Exports declined 8.1 per cent in value, while the value of imports decreased by only 2.6 per cent. In consequence the import surplus increased from 123.1 million kronor in 1937 to 229.2 million kronor in 1938.

The following table shows the trend of trade during the past three years:—

	Imports	Exports	Total	Excess of Imports
	Figures in Million Kronor			
1936	1,632.7	1,514.2	3,146.9	118.5
1937	2,123.5	2,000.4	4,123.9	123.1
1938	2,068.1	1,838.9	3,907.0	229.2

IMPORTS

Detailed figures covering import and export trade for 1938 are not yet available, but the following table shows the volume of imports of the principal commodity groups during the years 1937 and 1938:—

	1937 1,000 Kilos	1938 1,000 Kilos
Maize, unmilled	185,239	172,662
Oats, unmilled	34,941	11,398
Wheat, unmilled	50,349	54,379
Coffee	47,294	52,679
Sugar	6,485	11,394
Cotton	34,051	36,778
Hides, undressed	18,745	19,960
Mineral oils	1,176,021	1,319,187
Oil cake	162,401	202,001
Sodium nitrate and calcium nitrate	102,316	126,941
Coal and coke	8,937,517	7,712,307
Pig iron and scrap iron	199,756	87,204
Iron girders, etc.	160,202	112,562
Copper, unwrought	47,461	52,045
	Number	Number
Motor cars	19,883	25,626
	1,000 Kr.	1,000 Kr.
Motor car parts for assembly	26,424	36,199

It will be noted that the majority of groups showed an increase in volume during 1938 as compared with the previous year. Imports of coal and coke declined by more than one million tons. The greatest relative declines occurred in oats and pig and scrap iron, both these groups being reduced by roughly two-thirds of the 1937 total. Almost 6,000 more motor cars were imported as compared with the previous year. Imports of wheat were greater by about 4,000 tons.

EXPORTS

The following table shows the principal items of export in 1937 and 1938:—

	1937 1,000 Kg.	1938 1,000 Kg.
Bacon	13,609	13,249
Butter, natural	23,535	28,555
Cattle hides, undressed	11,387	12,141
	1,000 Ft. B.M.	1,000 Ft. B.M.
Timber, total	4,234	3,438
Unwrought and hewn	516	526
Boards and battens, sawn, but unplanned	2,987	2,294
Planed boards	731	618

	1937 1,000 Kg.	1938 1,000 Kg.
Woodpulp (dry weight), total	2,552,496	1,981,934
Mechanical	353,056	299,303
Sulphite	1,302,730	1,013,789
Sulphate	896,710	668,842
Paper and cardboard, total	662,950	473,362
Newsprint	197,785	161,711
Other paper and cardboard	465,165	311,651
Iron ore	13,965	12,685
Matches	16,770	16,614
Iron and steel, total	282,054	277,624
Pig iron	129,199	134,923
Malleable iron and steel	152,855	142,701
	1,000 Kr.	1,000 Kr.
Ball bearings	41,529	49,200
Engines (internal combustion)	12,303	12,788
Electrical machinery	29,982	30,755
Separators	17,761	13,841
Stone	10,882	8,105
Telephone and telegraph apparatus	7,495	10,577

With few exceptions, there were considerable declines in the volume of principal exports. The most important decline occurred in the pulp group, exports of which dropped by over half a million tons to the lowest figure since 1933. Exports of paper and cardboard also showed a severe decline of over 182,000 tons. The most important increase was in exports of pig iron, which advanced by over 5,000 tons.

DISTRIBUTION OF TRADE

There is a definite trend in Swedish import trade toward a greater proportion of imports from countries outside of Europe. In 1935 European countries accounted for 80 per cent of Swedish imports; in 1938 they supplied 65.2 per cent. A decline in the European share has occurred each year, but the most marked decrease took place from 1936 to 1937, the figures for these two years being respectively 79.2 per cent and 66.8 per cent.

As regards exports, the movement seems to have the opposite trend, but it is not of the same degree. Exports to European countries amounted to 78.3 per cent of total exports in 1938 as compared with 75.2 per cent in 1937. The 1937 figure showed a decline from 1936, but was similar to that of 1935.

The following table shows the values of Swedish import and export trade in 1938 with principal countries and the percentages of import and export trade with these countries in 1937 and 1938:—

	Imports			Exports		
	1938	1937		1938	1937	
	Million Kronor	Per Cent	Per Cent	Million Kronor	Per Cent	Per Cent
Europe	1,347.6	65.2	66.8	1,440.5	78.3	75.2
Great Britain	251.3	12.2	13.3	426.1	23.2	22.6
Germany	442.9	21.4	20.4	328.8	17.9	15.4
Denmark	68.2	3.3	3.3	85.7	4.7	4.0
Norway	70.8	3.4	3.3	123.9	6.7	7.1
France	62.4	3.0	3.0	59.1	3.2	4.6
Netherlands	82.2	4.0	3.5	63.8	3.5	2.9
Belgium	71.3	3.4	4.0	54.9	3.0	3.6
Poland and Danzig	73.1	3.5	3.9	37.7	2.1	2.0
Italy	31.0	1.5	1.2	37.9	2.1	1.8
Finland	21.5	1.0	1.1	86.4	4.7	4.3
Spain	2.4	0.1	0.4	3.8	0.2	0.3
Soviet Russia (in Europe)	9.3	0.4	0.6	17.5	1.0	0.6
Switzerland	35.2	1.7	1.3	12.9	0.7	0.7
Czecho-Slovakia	45.4	2.2	2.5	36.5	2.0	1.8
Africa	25.6	1.2	1.2	44.3	2.4	2.7
Asia	125.9	6.1	6.0	73.7	4.0	5.3
Japan	16.4	0.8	0.8	26.3	1.4	2.4
China	30.8	1.5	1.5	8.0	0.4	0.8
British India	28.9	1.4	1.2	17.0	0.9	0.9

Distribution of Sweden's Trade, 1937 and 1938—Concluded

	Imports			Exports		
	1938	1937		1938	1937	
	Million Kronor	Per Cent	Per Cent	Million Kronor	Per Cent	Per Cent
America	549.8	26.6	24.8	257.4	14.0	15.4
United States	336.3	16.3	14.1	164.9	9.0	11.0
Argentina	52.9	2.6	3.2	34.6	1.9	1.6
Brazil	34.3	1.7	1.8	17.1	0.9	0.9
Australia	19.3	0.9	1.2	23.1	1.3	1.4

Imports from, and exports to, Germany both showed advances in 1938, the total trade amounting to 771.7 million kronor. In the case of the United Kingdom, the second most important country in Swedish foreign trade, both imports and exports declined, the total being 677.4 million kronor. Comparative figures for 1937 were 738.9 million kronor for trade with Germany and 731.9 million kronor for trade with the United Kingdom. The relative positions of the three leading countries of supply did not change in 1938 as compared with 1937. Both Germany and the United States supplied a larger share of Swedish imports, while the United Kingdom's share declined. As a purchaser of Swedish exports the United Kingdom maintained first position, the percentage increasing from 22.6 per cent to 23.2 per cent. Exports to Germany showed a greater rise, however, advancing from 15.4 per cent to 17.9 per cent. Exports to the United States declined by 2 per cent to 9 per cent of the total value of exports, mainly due to smaller shipments of Swedish pulp.

SHIPPING

Results in shipping were not equal to those of the previous year. The decline in the ocean freight level, which set in during the autumn of 1937, continued until April, when the index of freight rates had fallen to 120 (1913 equals 100) from a peak of 185 during the previous September. With the exception of August, when a slight decline occurred, there was improvement each month until November, when an opposite trend became evident. At the close of the year the figure stood at 116 as compared with 128 at the beginning of the year.

The Swedish merchant fleet was not so well occupied during 1938 as in 1937, when it was practically fully employed. By the end of the year about 30 vessels, aggregating a gross tonnage of 41,993 tons, were laid up. This figure does not include vessels regularly out of commission for the winter or those laid up for repairs or classification. The shipyards have enjoyed a record activity, with unfilled orders, principally for foreign account, ensuring employment for about three years.

POINTS FOR EXPORTERS TO PERU

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, May 29, 1939.—The Republic of Peru lies entirely within the tropics, stretching from approximately 2° to 18° south latitude and from 69° 10' 30" to 81° 10' 30" west longitude. These figures are only approximate, owing to unsettled boundaries. Peru fronts on the Pacific. Ecuador forms its northern boundary; on the east and northeast it borders on Brazil and Colombia, on the southeast on Bolivia, and on the south on Chile. The coastline of Peru is approximately 1,400 miles long; its maximum width is about 800 miles. It is the third largest country in South America, following Brazil and Argentina. Peru can be divided into three natural zones: (1) the narrow coastal strip between the maritime Cordillera and the Pacific, which is arid but intersected

by fertile valleys; (2) the Sierra or Andean region, with an average elevation of some 12,000 feet; and (3) the Montaña or eastern lowlands. The coastal belt and those mountainous areas most easily reached from the Pacific are the more developed sections of the country.

CLIMATE

The climate of Peru varies greatly according to the altitude. It is tropical along the Pacific coast, cool on the plateaux, and very hot in the eastern Amazon district. There is practically no rain on the coast, but the heat is moderated by the Humboldt current. There are two seasons on the coast, the hottest weather occurring from about the middle of January to the end of April. Prevailing fogs and mists during the so-called "winter" season, when the sun rarely attains sufficient strength to penetrate them, have an undoubtedly enervating effect. However, such conditions are not constant or uniform all along the coast.

The coastal area is the most thickly populated, and most of the cities and commercial centres are located there. Although destitute of vegetation, some fifty valleys are fed by Andean streams, and irrigation is practised, with the result that cotton and sugar are the principal crops. Rice and tropical fruits are also raised.

The mountainous plateaux, known as the "Sierra," together with their valleys, are cool and even cold, depending on altitude. Here cattle and sheep are raised, as well as wheat, barley, rye, etc. The principal mining developments, for which Peru has long been known, are located in this area. The oil-fields, however, are principally along the coast.

The truly tropical areas eastward of the Andean ranges are largely unknown and unexploited. There is one commercial centre, Iquitos, on the Amazon River and, unless by air route, it is reached via Para, Brazil.

POPULATION

The population of Peru is estimated at between 6,000,000 and 7,000,000 inhabitants. The pure Indians of the Sierras comprise the majority, the next most important group being those of mixed breeds (mestizos); the ruling class of Spanish descent may number 500,000. The bulk of the population, consisting largely of Indians of unmixed blood, resides in the elevated Andean region, the whites being found in the towns and valleys of the coastal section. Spanish is the official language and is used throughout the country.

It should be borne in mind that of the total population mentioned probably not more than 1,000,000 can be regarded as potential purchasers and that the standard of living of a large percentage of this number is very low as compared with standards in Canada.

NATURAL AND MINERAL RESOURCES

Contrary to the general impression, agriculture is the chief source of wealth in Peru, a large majority of the people being engaged therein despite the expansion of the mining and oil industries. The chief agricultural products are cotton, sugar, rice, wheat, vegetables, fruit, coca, coffee, tobacco, live stock, wool, hides, and goatskins. The mineral products obtained, in addition to the more important products of oil and copper, include silver, gold, lead, zinc, vanadium, borax, bismuth, molybdenum, antimony, sulphur, and coal. The guano deposits are worked as a monopoly.

A consistent program of irrigation works is constantly adding to the available land in the dry coastal area, with an increasing production of agricultural

products. The greater part of Peru, particularly the area east of the Andean ranges, is still unexplored tropical territory, tropical hardwoods being the chief products, largely obtained along the Amazon River and its tributaries.

INDUSTRIAL DEVELOPMENT

Although the economy of Peru largely rests upon the production of raw materials, such as copper, oil, cotton, sugar, etc., attempts towards the development of a secondary type of industry are meeting with a certain amount of success behind a protective customs tariff. From the production of crude oil Peru now obtains its own gasoline, kerosene, lubricating oils and greases, asphalt, and other by-products, many of which it is now exporting. The production and export of lead, as well as many of the products mentioned above, has resulted from efforts to develop copper production. In addition, there are many sugar, cotton, flour, woollen, and lumber mills operating throughout the country, as well as cotton ginneries, tanneries, breweries, distilleries, cottonseed-oil mills, soap, biscuit, chocolate and confectionery factories, foundries, refrigerating and meat-packing plants, paint factories, hosiery mills, paper-bag factories, artificial-silk mills, and a cement factory.

Among products manufactured in Peru are the following:—

Boots and shoes; bottles; brooms; hosiery; shirts; corsets; wines and liquors; tobaccos; furniture; knitted underwear, bathing suits, clothing; foodstuffs; pharmaceuticals; textiles of wool, cotton, silk, and artificial silk; cottonseed oil; olive oil; automobile batteries; mineral and gaseous waters; carpets and rugs; wrought ironware; leather goods; neckwear; flags; luggage; billiard tables; paper bags and boxes; beds and bedding; cement; floor waxes; ceramics; cereal foods; beer; stoves; canned and prepared foodstuffs; twine; polishes and paints; brushes; macaroni; flour; artificial flowers; insecticides and disinfectants; soaps; toys; bricks; electrical fixtures; blank books; tiles; lumber; butter and cheese; margarine; women's wearing apparel; mouldings; mosaics; flooring; perfumes; men's hats; envelopes; shoe heels; inks; cosmetics; cement tubing; candles.

CURRENCY, WEIGHTS, AND MEASURES

The unit of currency is the sol, which has a par value of 28 cents United States currency. Silver coins are in denominations of one sol and 50 centavos, their composition being 50 per cent silver, 40 per cent copper, and 10 per cent nickel. So-called nickel coinage is made up of 20-, 10-, and 5-centavo pieces. Their alloy consists of 75 per cent copper and 25 per cent nickel. Copper coins of 2- and 1-centavo units are also in use. Note issues are in denominations of 100 soles, 50 soles, 10 soles, and 5 soles.

The metric system is recognized as standard and is in general use along the coast and in the more populous centres. Old Spanish and local units of measurement are still in use at many interior points where direct trading with natives is carried on.

FOREIGN TRADE

The following table indicates the volume of Peru's foreign trade for the years 1930-37 inclusive:—

Year	Imports	Exports	Total
	Values	in Peruvian	Soles
1930	140,261,247	235,985,304	376,246,551
1931	102,478,580	197,417,166	299,895,746
1932	76,088,927	178,529,111	254,618,038
1933	107,436,810	256,969,344	364,406,154
1934	171,252,552	305,093,677	476,346,229
1935	181,065,523	308,923,449	489,988,972
1936	200,500,404	335,812,411	536,312,815
1937	235,205,523	365,440,446	600,645,969

A variety of articles enter into the import trade of Peru; the following list of principal imports is based on values for the year 1937:—

Wheat; machinery for industrial and other purposes; automobiles and trucks; machinery repairs; machinery for agriculture, dairying, and mining; iron and steel in sheets, beams, girders, etc.; lumber; piping and tubing; jute bags; fertilizers; tinplate; evaporated and condensed milks; aeroplanes, accessories and parts; automobile and bicycle tires and tubes; cotton fabrics; wireless apparatus; rice; automotive repair parts; silk thread; dynamite and other explosives; galvanized sheets; box shooks; paraffin; newsprint; agricultural implements and tools; cotton thread; colourings; rolling stock; lubricants; agricultural and mining machinery; leathers; railway rails and parts; switchboards and connections; mercerized hosiery; typewriting machines and parts; hosiery; Portland cement; dyed fabrics; forged iron; paper in rolls; sewing machines; book and printing paper; tea; fresh fruits; railway sleepers; malt; chinaware; paints prepared in oil; bridges; insecticides; wire, lead covered; sanitaryware; belting; nails; films; confectionery; whisky; rope; prepared meats; pharmaceuticals; telephone wire; steel wire and cable; transformers; ploughs; tanner's extracts; flour; rolled oats; sardines; matches; glass; coal; construction materials; caustic soda; kraft paper; wood-pulp; barbed wire.

The principal supplying nations are the United States, the United Kingdom, Germany, Argentina, Japan, France, Belgium, Chile, and Canada.

Peru's principal exports include the following:—

Sugar and sugar products; cotton and its products, such as linters, cottonseed cake and meal; hides and skins; wools; gums and rubber; hardwoods; minerals and concentrates, including copper, antimony, bismuth, gold, silver, lead, arsenic, vanadium, etc.; sulphur; crude petroleum; gas oil; asphalt; pitch; gasolene; kerosene; combustible residues; coffee; coca leaves; guano; and vegetable ivory.

The principal purchasers of Peruvian exports are the United Kingdom, the United States, Germany, France, Canada, Chile, Argentina, Belgium, and Bolivia.

BANKING

The Royal Bank of Canada has a branch in Lima, and other Canadian banks have established connections with local or foreign banking institutions.

DOCUMENTATION

A publication concerning documentation for Peru may be obtained on application to the Department of Trade and Commerce, Ottawa. It is suggested that every care be exercised in the preparation of the necessary shipping documents, as errors and non-compliance with instructions result in heavy fines and penalties to the importer.

COMMERCIAL DISTRICTS

Lima, together with the port of Callao, with an estimated combined population of some 300,000 and situated some 12 kilometres distant from each other, is the commercial centre of Peru. Its commercial influence is spread throughout the country by reason of the dominant position held by the business houses and financial institutions in Lima. Import trade is largely controlled by a group of large wholesale houses, the majority of which are owned by foreign interests (British, American, German, and Italian predominating), although the Peruvian element is steadily growing in importance.

Arequipa, the second city of Peru, with an estimated population of 65,000, is situated 107 miles from the port of Mollendo (the latter soon to be superseded by the port of Matarani, at present under construction) and is located at an elevation of 7,600 feet. Other centres of lesser importance along the coast with approximate populations are: Piura (15,000), Chiclayo (35,000), Trujillo (30,000), and Mollendo (10,000). Cerro de Pasco (20,000), Huancayo (20,000), and Cuzco (30,000) are towns in the interior reached by rail connections.

CUSTOMS TARIFFS

The Peruvian customs tariff is almost entirely on a specific or weight basis. Ad valorem duties are based on the invoice value plus 20 per cent and an arbitrary advance in lieu of freight, etc. In addition, there is an advance consular fee of 6 per cent of the f.o.b. port of export value.

OPPORTUNITIES FOR CANADIAN PRODUCTS

Peru is to a large extent an agricultural country, which restricts the outlet for farm products. However, there is a small but growing market for prepared foodstuffs such as canned goods, butter, milks, salmon and sardines, honey, biscuits, etc. Although continued attempts are being made toward the development of wheat production, a market still exists for Canadian wheat when c.i.f. prices are competitive or even at a slight premium over those from Argentina, Chile, and Australia. The present principal imports from Canada are newsprint, lumber, box shooks, rubber tires and sundries, automobile battery parts, farm implements and machinery, paints, hosiery, printing paper, silk threads, and a variety of miscellaneous goods.

Peru should prove a growing market for Canadian exporters, but there are certain cardinal principles that should constantly be borne in mind. To begin with, the principal world trading countries are keenly interested in the Peruvian market, and local importers are exceedingly well versed in what the outside world has to offer. As compared with Canada, a lower standard of living prevails, with the result that price is the determining factor in the case of products that are intended for sale to the masses. Offers are constantly available from the United States, Great Britain, Germany, France, Italy, Japan, Belgium, etc., and, although tariff rates are equally applicable, the exports of some countries are assisted by subventions of one kind or another. Canadian goods are highly regarded on the Peruvian market, and the chief drawback to date to more rapid trade development has been the higher laid-down cost of Canadian goods as compared to that of imports from competing countries. Another very important point is the necessity for realization on the part of the Canadian exporter that the Peruvian importer knows what he needs and can obtain and knows too what can be sold. It can but be repeated that better results will be achieved by trying to supply the market with what is required, if exporters are in a position to do so.

QUOTATIONS AND TERMS

Quotations should be c.i.f. Callao. It is practically impossible for an importer in Peru to estimate carrying charges involved in a shipment from an inland point in Canada to Callao. As a result, f.o.b. factory prices are not accepted, and very few firms will consider f.a.s. Vancouver or f.a.s. New York prices. Terms vary from 30 to 90 days, sight draft against documents, or longer, dependent upon the commodity and standing of the firms. Some European firms grant terms up to 180 days and in some cases terms have been granted of from one to three years. If selling commissions, discounts, etc., are included in quotations, this should be clearly stated, and also whether or not prices quoted include the 6 per cent advance consular fee.

MARKETING, LABELLING, AND PACKING

The gross and net weight in kilos must be shown on each package, and packages may be marked with either stencil or brush. There are no special requirements in regard to the labelling or marking of general merchandise imported into Peru. Specific duties are levied on gross, legal, or net weight, according to the tariff item, and in view of inadequate port facilities at some points

along the west coast of South America and of the rough transportation conditions encountered in the interior, articles which are dutiable on the basis of gross or legal weight should be packed as securely as is consistent with lightness. Special legislation exists respecting the marking of foodstuffs and pharmaceuticals.

SHIPPING

At the present time there is no direct steamship service from Eastern Canadian ports to Peruvian ports. There is a weekly direct service via the Grace Line from New York and a bi-monthly service by the West Coast Lines. These two direct services are supplemented by alternative sailings from both Eastern Canadian ports and United States Atlantic ports, which permit of transshipment at Kingston, Jamaica, and the Panama Canal Zone respectively.

On the Pacific Coast, as sufficient cargo offers, services are available to Peru through the Empire Shipping Co. Ltd., the North Pacific Shipping Co. Ltd., and the Grace Line.

CATALOGUES AND SAMPLES

Catalogues and samples play a very important part in the import trade of Peru. If at all possible, catalogues and descriptive material should be in the Spanish language. They should be forwarded as printed matter, in wrapping open at both ends, or by book post. They should not be sent packed with merchandise, as in this case they are liable for increased duties and fines. Samples of no commercial value sent by post should be marked "muestras sin valor."

CREDITS

In many instances business is rendered difficult if not impossible without the extension of credit. Normally generous terms prevail, ranging from 60 to 180 days. Sight documents against acceptance for these periods is the common practice. It is recommended, however, that Canadian exporters, when shipping to customers in Peru, request their agents, representatives, or clients, as the case may be, to have their banks forward confidential reports.

EXCHANGE

There are no import or exchange control restrictions in force in Peru.

JAPANESE SPRING COCOON ESTIMATE

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(One kwan equals 8.2672 pounds)

Kobe, June 26, 1939.—According to the Japanese Department of Agriculture and Forestry, the estimated 1939 spring cocoon crop for fourteen prefectures in Kanto, Hokuriku, and Tosan districts is placed at 20,151,370 kwan (166,595,406 pounds), showing an increase of 0.5 per cent as compared with the corresponding period of last year. When this estimate is added to the figures previously announced for early-yielding districts, the estimate for the total 1939 spring cocoon crop for forty prefectures, excluding Hokkaido and six prefectures in Tohoku, is 35,935,150 kwan (2,970,830,720 pounds). This is a decrease of 3 per cent as compared with last year. Details of the expected yield are: white cocoon, 14,892,300 kwan (123,117,623 pounds); yellow cocoon, 5,259,070 kwan (43,477,783 pounds).

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to June 30, 1939:—

	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada in 1939	
			Total Amount	Per Cent to June 30, 1939
Cattle (700 pounds or more)Head	225,000 per year	3 to 1½ cts. per lb.	86,008	38.2
Cattle (less than 200 poundsHead	100,000	2½ to 1½ cts. per lb.	48,198	48.2
Whole milkGals.	3,000,000	6½ to 3¼ cts. per gal.	2,776	0.09
CreamGals.	1,500,000	56¾ to 28¾ cts. per gal.	152	....
Filleted fish, fresh or frozen—cod, had- dock, hake, pollock, cusk and rose- fishLbs.	15,000,000	2½ to 1½ cts. per lb.	4,960,872	33.07
Seed potatoesBus.	1,500,000 beginning Sept. 15, 1938	75 to 60 cts. per 100 lbs. Dec. 1 to end of February; 37½ cts. Mar. 1 to Nov. 30	995,976	66.4
White or Irish potatoes, other than seed potatoesBus.	1,000,000 beginning Sept. 15, 1938	75 to 60 cts. per 100 lbs. Dec. 1 to end of February; 37½ cts. Mar. 1 to Nov. 30	16,889	1.6

Total imports of cattle weighing 700 pounds or more, other than dairy cattle, during the period January 1 to June 30, 1939, amounted to 124,149 head. Of this amount 38,141 head or 16.9 per cent came from countries other than Canada. The 124,149 head imported included 119,244 head dutiable at the reduced rate under the trade agreement and 4,905 head at the full tariff rate.

During the period April 1 to June 30, 1939, there were 50,964 head imported from Canada, which represented 98.54 per cent of the tariff rate quota for the second quarter of the calendar year. Imports for this period from other countries totalled 9,253 head, of which 973 head paid the full rate of duty, while 8,280 head, the quota allotment for the second quarter, entered at the reduced rate of tariff.

Total imports of cattle under 200 pounds amounted to 76,706 head or 76.7 per cent of the total quota. Of this total 25,508 head or 28.5 per cent came from countries other than Canada.

Receipts of white or Irish potatoes, other than certified seed potatoes, amounted to 19,771 bushels or 1.98 per cent. Of this total 2,882 bushels or 0.28 per cent came from countries other than Canada.

PERU: NEW LEAFLET ON DOCUMENTATION

A new leaflet on documentation of shipments to Peru has been issued by the Department of Trade and Commerce. Interested Canadian exporters may obtain a copy on application to the Department at Ottawa.

TARIFF CHANGES AND CUSTOMS REGULATIONS**United Kingdom****TEMPORARY DUTY REDUCTION ON CERTAIN NON-EMPIRE BEEF AND VEAL**

The Beef and Veal Duties (Reductions) (No. 1) Order, 1939, made by the Treasury of the United Kingdom on June 29, has the effect of reducing, from July 1, 1939, to December 31, 1939, from 20 per cent to $17\frac{1}{2}$ per cent ad valorem the United Kingdom import duty on the following classes of beef and veal when the product of any non-Empire country: (1) boned and boneless beef and veal, and edible offals of beef and veal, not being beef, veal or offals preserved in any air-tight container, and excluding tongues and sweetbreads; (2) beef and veal preserved in any air-tight container (including edible offals of beef and veal, but excluding tongues, jellied veal, and sweetbreads); (3) extracts and essences wholly or in part derived from beef or veal. The order arises out of a provision of the United Kingdom-Argentine Trade Agreement of December 1, 1936, which stipulates that if in either half of any calendar year the ad valorem incidence of the United Kingdom duty on Argentine chilled beef should be $17\frac{1}{2}$ per cent ad valorem or less, the duty on certain Argentine meats, including the above-mentioned descriptions, shall be reduced for six months by $2\frac{1}{2}$ per cent for every $2\frac{1}{2}$ per cent by which the ad valorem incidence has fallen short of 20 per cent.

(The foregoing meats when shown to be British Empire products within the meaning of the Imperial preference regulations of the United Kingdom remain duty-free.)

Australia**DUTIES ON ADVERTISING MATTER IMPORTED BY MAIL**

The following circular issued by W. L. Brennan, Australian Customs Representative in New York, dated July 18, 1939, regarding Australian duties on advertising matter imported by mail, supersedes all previous circulars issued from that office on that subject:—

1. Duty is levied on posters, catalogues, price lists, calendars, diaries, circulars, and other advertising matter imported into the Commonwealth of Australia, whether by first-class mail or otherwise, provided that—

- (a) when the total of customs duty, primage duty, and sales tax on the total quantity mailed by any overseas consignor by any one mail to any one state of the Commonwealth does not exceed one shilling (Australian currency), payment may be waived;
- (b) trade catalogues and price lists not designed to advertise the sale of goods by any person, firm, or company in Australia, when sent into Australia in single copies addressed to merchants, firms, companies, or persons therein, and not exceeding one copy to each merchant, firm, person, or company or branch office thereof and not being for distribution, are admitted free.

2. If the overseas consignor desires to prepay the duties and sales tax, he may do so by any one of the following methods:—

- (i) at the above office, where adhesive duty stamps can be purchased for attachment to the mailed matter to indicate that duty has been paid. Cheques or post office money orders forwarded for the purchase of duty stamps should be made payable to the "Australian Customs Representative."
- (ii) by remitting to the Deputy Postmaster-General of each state (for transmission to the Customs) a sum covering the total amount of advertising matter addressed to each state;
- (iii) at the customs house in the receiving state, by the consignor's agent.

3. If payment be not made by any of the above-mentioned methods, the duty will be collected from the addressee.

4. The present rate of duty, etc., on catalogues and price lists which are not exempt from duty under paragraphs 1 (a) and (b) hereof, and on circulars, calendars, diaries, and advertising matter, of Canadian origin, is 9d. per pound or 30 per cent ad valorem, whichever returns the higher duty, plus 5 per cent ad valorem primage, plus 5 per cent sales tax.

5. The value for duty is the value of the goods in the country of origin converted into sterling at the current rate of exchange, plus 10 per cent of the value.

6. The value for sales tax is the sum of the value for duty, the duty and the primage, increased by 20 per cent.

7. For convenience in computation, when the duty is prepaid, the following rates to cover duty, primage and sales tax, may be used:—

When the advertising matter is valued at more than 40 cents per pound duty may be estimated in dollars at 38 per cent of the total value.

When the advertising matter is valued at less than 40 cents per pound, at the following rates: up to and including $\frac{1}{2}$ ounce, $\frac{1}{4}$ d.; and for each additional $\frac{1}{2}$ ounce, $\frac{1}{4}$ d.

8. The postal authorities have asked that duty stamps be affixed to the reverse side of the packet containing the advertising matter and then cancelled.

TARIFF DECISIONS

Recent Australian tariff decisions, as to the classification and rates of duty on articles regarding which question had been raised, include the following:—

Saw clamps (sometimes described as vises) being devices for fitting to a bench to enable the filing of saw teeth to be accomplished, 35 per cent ad valorem under the British preferential tariff (rate reduced to compensate for present Australian exchange depreciation), 55 per cent ad valorem under the general tariff (item 219B).

Rotary coal boring machines, not being portable hand tools (used for boring holes in the coal face prior to charging with explosive), $7\frac{1}{2}$ per cent ad valorem under the British preferential tariff, $33\frac{1}{2}$ per cent under the general tariff, rates to increase as present Australian exchange depreciation may be lessened (item 170D).

Propellers for petrol-driven outboard motors, imported separately, 10 per cent ad valorem under British preferential tariff, 30 per cent ad valorem under general tariff (item 178I2).

Alloy plates and sheets containing approximately 1 per cent silicon, 5 per cent manganese, 0.3 per cent magnesium, 93.7 per cent aluminum, are free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 404).

Automatic glueing machines, with or without suction conveyors, for the glueing of wrappers in the flat for cardboard boxes, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 174Y).

Rug-making outfits (consisting of a carton containing a quantity of rug wool, a piece of canvas, a latchet hook and an instruction card), 35 per cent ad valorem under British preferential tariff, 55 per cent ad valorem if from "most-favoured nations," 60 per cent if from other non-British countries (item 309D).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential rates. Goods from all countries outside the British Empire are subject to general tariff rates, except where rates for "most-favoured nations" are stated. "Most-favoured nations" include Belgium, France, Germany, Hungary, Italy, Sweden, Switzerland, and some others, but not Japan or United States.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Brazil

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, July 4, 1939.—The presidential decree of April 8 removing the restrictions controlling exchange for payment on account of imported merchandise, continues in force. No restrictions exist for the payment of imported goods beyond the scrutiny of all documents by the exchange department of the Bank of Brazil to determine the authenticity of the transaction. Exchange for interest, dividend and profit payments is still very strictly controlled and practically no disbursements have been made for such requirements.

Peru

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, July 12, 1939.—The market for foreign exchange in Peru continues to be free and foreign exchange is usually obtained without difficulty. During the past quarter, however, there was a general and continuous weakening of the Peruvian sol, which made at times for a very slight delay in obtaining requirements of large sums but did not affect ordinary business requirements.

At the beginning of the second quarter the sol was quoted on a basis of about 5 soles to the U.S. dollar. From that level it fell rapidly in the first two weeks to 5.50 soles. It strengthened slightly to S/. 5.30 in the latter half of April, but from the end of the month again showed weakness, the rates fluctuating throughout May between S/. 5.45 and S/. 5.51. In June the sol fell rapidly again to S/. 5.87½ on June 26, from which point it reacted strongly in the following week to between S/. 5.42 and 5.45.

Quotations have been fairly steady at about S/. 5.45 during the past week. There is now a feeling of greater optimism than existed throughout the second quarter, and fears that the sol would fall as low as 6 soles to the U.S. dollar are largely dissipated.

Cuba

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, July 10, 1939.—Up to July 8, 1939, Cuba had no restrictions of any kind in force in connection with foreign exchange. On that date there was passed a decree which, because of its ambiguity, may be interpreted to mean that the Cuban silver peso must be accepted at par value, instead of at its present discounted value of about 7 per cent, in payment of all "obligations contracted or to be fulfilled in National territory". The obligation of a Cuban importer to pay a draft drawn upon him by a foreign exporter may be interpreted as falling within the category, since it is argued that the fulfilment of the obligation occurs in Cuba when the draft is paid. No official decision has yet been reached in respect to this phase of the decree, although it is expected that it will be later clarified to the extent of exempting from its operation such transactions. It is recommended, pending further advice, that exporters keep in close touch through their bankers with the situation.

Puerto Rico and Dominican Republic

As stated in previous quarterly reports, there are no official exchange restrictions of any kind in force in either of these two countries.

Costa Rica

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, June 30, 1939.—There continues to be plenty of foreign exchange in Costa Rica. It may be bought and sold only through registered banks, although a small and relatively unimportant unofficial or "street" market exists. The official selling rate for the Costa Rican colon remains at 5.62 colones to the United States dollar, while the unofficial rates are from 5.63 to 5.64.

Costa Rican importers are required to register their orders for foreign merchandise at an Import's Registry Office operated by the Exchange Control Commission. Upon receipt of shipping documents, importers make application to the Exchange Control Commission for the necessary funds for remittance abroad. Preference is given in allotting foreign exchange to imports from countries with which Costa Rica enjoys a favourable balance of trade. Recently a law was passed providing for an increase of 100 per cent in import duties on all merchandise imported into Costa Rica from countries with which Costa Rica's balance of trade is unfavourable to the extent of 50 per cent or more. This law will not affect Canadian trade with Costa Rica because exports to and imports from Canada almost balance. However, this law is expected to be beneficial generally to the exchange situation as it will tend to direct foreign trade along reciprocal channels.

There is no difficulty in obtaining exchange to pay for imports from Canada. As far as Canadian trade with Costa Rica is concerned, exchange control in that country is hardly more than a matter of form and results only in a delay in remitting of several days after arrival of documents and merchandise during which the necessary formalities required by the Commission are observed.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 24, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 24, 1939, and for the week ending Monday, July 17, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 17	Nominal Quotations in Montreal Week ending July 24	Official Bank Rate
Belgium	Belga	.1001	\$.1701	\$.1701	2½
Bulgaria	Lev	.0072	.0121	.0121	6
Denmark	Krone	.2680	.2092	.2092	3½
Finland	Markka	.0252	.0206	.0205	4
France	Franc	.0392	.0265	.0265	2
Germany	Reichsmark	.2382	.4018	.4015	4
Great Britain	Pound	4.8666	4.6883	4.6865	2
Greece	Drachma	.0130	.0086	.0086	6
Holland	Guilder	.4020	.5339	.5368	2
Hungary	Pengo	.1749	.2954	.2953	4
		Unofficial	.1960	.1960	—
Italy	Lira	.0526	.0526	.0526	4½
Yugoslavia	Dinar	.0176	.0228	.0227	5
Norway	Krone	.2680	.2355	.2354	3½
Poland	Zloty	.1122	.1884	.1882	4½
Portugal	Escudo	.0442	.0427	.0425	4-4½
Roumania	Leu	.0060	.0071	.0070	3½
Spain	Peseta	.1930	.1104	.1103	4
Sweden	Krona	.2680	.2414	.2414	2½
Switzerland	Franc	.1930	.2257	.2260	1½
United States	Dollar	1.0000	1.0014	1.0009	1
Mexico	Peso	.4985	.1712	.1728	3
Cuba	Peso	1.0000	1.0009	1.0004	—
Guadeloupe	Franc	.0392	.0265	.0265	—
Jamaica	Pound	4.8666	4.6983	4.6965	—
Martinique	Franc	.0392	.0265	.0265	—
Other British West Indies	Dollar	1.0138	.9767	.9764	—
Argentina	Peso	.4245	.3125	.3125	3½
		Official buying	.2758	.2757	—
		Unofficial	.2323	.2312	—
Brazil	Milreis (Paper)	.1196	.0607	.0606	—
		Unofficial	.0513	.0504	—
British Guiana	Dollar	1.0138	.9767	.9764	—
Chile	Peso	.1217	.0518	.0517	3-4½
		Unofficial	.0401	.0400	—
Colombia	Peso	.9733	.5715	.5710	4
Peru	Sol	.2800	.1803	.1802	6
Venezuela	Bolivar	.1930	.3104	.3103	—
Uruguay	Peso	1.0342	.6169	.6167	—
		Unofficial	.3604	.3576	—
South Africa	Pound	4.8666	4.6767	4.6748	—
Egypt	Pound (100 Piastres)	4.9431	4.8067	4.8045	—
China (Shanghai)	Dollar	.....	.1264	.0831	—
Hongkong	Dollar	.....	.2885	.2859	—
India	Rupee	.3650	.3495	.3494	3
Japan	Yen	.4985	.2732	.2731	3.29
Java	Guilder	.4020	.5354	.5373	—
Siam	Baht (Tical)	.4424	.4296	.4296	—
Straits Settlements	Dollar	.5678	.5490	.5484	—
Australia	Pound	4.8666	3.7500	3.7500	3
New Zealand	Pound	4.8666	3.7650	3.7650	4

The Dominion Bureau of Statistics has supplied the following note:—

With the exception of a sharp advance in the Netherlands florin, Canadian funds showed moderate strength against practically all major currencies during the week ended July 24. Rates on the florin stiffened from 53.39 cents on July 17 to 53.68 cents on the 24th following the report that the internal political outlook had clarified considerably. Sterling spot rates, though firm at New York, weakened to \$4.6865 at Montreal on July 24 as compared with \$4.6883 on the 17th. Withdrawal of support by the British-Chinese Stabilization Fund caused another sharp slump in the Shanghai dollar. Rates dropped from 12.46 cents on July 17 to 8.31 cents on the 24th. United States funds also were easier, reacting from \$1.00½ on the 17th to \$1.00⅝ on July 20, where they remained for the balance of the week.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Salmon.....	293	Johannesburg, South Africa.....	Agency.
Canned Salmon.....	294	Dublin, Ireland.....	Agency.
Miscellaneous—			
Gloves, Skin and Fabric.....	295	Bristol, England.....	Purchase.
Imitation Peccary Leather.....	296	Bristol, England.....	Purchase and Agency.
Textiles (Casements and Upholstery Cloths).....	297	Birmingham, England.....	Agency.
Hardware.....	298	Birmingham, England.....	Purchase.
Electrical Supplies.....	299	Birmingham, England.....	Agency.
Wireless Supplies.....	300	Birmingham, England.....	Agency.
Porcelain Insulators for Telephone.....	301	Dublin, Ireland.....	Agency.
Electrical Cables.....	302	Dublin, Ireland.....	Agency.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Montclare, Aug. 4; Duchess of York, Aug. 9 and Sept. 1; Montrose, Aug. 15; Duchess of Bedford, Aug. 20; Duchess of Atholl, Aug. 25—all Canadian Pacific; Antonia, Aug. 11; Andania, Aug. 25—both Cunard-White Star Line.

To London.—Beaverhill, Aug. 4; Beaverford, Aug. 11; Beaverburn, Aug. 18; Beaverbrae, Aug. 25; Beaverdale, Sept. 1—all Canadian Pacific; Ausonia, Aug. 4; Alaunia, Aug. 11; Aurania, Aug. 18; Ascania, Aug. 25—all Cunard-White Star Line; Taborfjell, Aug. 9; Svanefjell, Aug. 23; Rutenfjell, Sept. 6—all Fjell Line; Prins Mauritz, Aug. 5; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—all Oranje Line.

To Manchester.—Manchester Port, Aug. 3; Manchester Citizen, Aug. 10; Manchester Progress, Aug. 17; Manchester Commerce, Aug. 24; Manchester City, Aug. 31; Manchester Regiment, Sept. 7—all Manchester Line.

To Avonmouth, Bristol, Cardiff and Swansea.—Norwegian, Aug. 19; Dakotian, Sept. 6; Dorelian, Sept. 23—all Cunard-Donaldson and Dominion Lines; Bristol City, Aug. 8; Boston City, Aug. 26; New York City, Sept. 14—all Bristol City and Dominion Lines.

To Glasgow.—Letitia, Aug. 4; Delilian, Aug. 11; Athenia, Aug. 18; Sulairia, Aug. 25—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Consuelo, Aug. 3; Bassano, Aug. 17—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnross, Aug. 9; Cairnvalona (also calls at Dundee), Aug. 16; Cairnglen, Aug. 23; Cairnesk, Sept. 6; Cairnmona (also calls at Dundee), Sept. 13—all Cairn-Thomson Line.

To United Kingdom Ports.—Wearwood (calls at London), Aug. 3; Yorkwood, Aug. 10; Kirnwood, Aug. 15; Kingswood, Aug. 17; Briarwood (calls at London), Aug. 17; Windsorwood, Sept. 8; Maplewood (calls at London), Sept. 10—all Constantine Line.

To Belfast and Dublin.—Dunaff Head, Head Line, Aug. 13 (also calls at Londonderry and Cork).

To Hamburg and Bremen.—Beaverdale, Sept. 1; Beaverburn, Sept. 22—both Canadian Pacific (do not call at Bremen); Bochum, Hamburg-American Line, Aug. 11 and Sept. 15; Koenigsburg, North German Lloyd Line, Aug. 25.

To Antwerp.—Beaverhill, Aug. 4; Beaverford, Aug. 11 and Sept. 15; Beaverburn, Aug. 18; Beaverbrae, Aug. 25—all Canadian Pacific; Brant County, Aug. 6; Eastern Star, Aug. 16—both County Line (also call at Havre); Taborfjell, Aug. 9; Svanefjell, Aug. 23; Rutenfjell, Sept. 6—all Fjell Line; Prins Mauritz, Aug. 5; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—all Oranje Line.

To Rotterdam.—Hada County, Aug. 7; Grey County, Aug. 25—both County Line; Taborfjell, Aug. 9; Svanefjell, Aug. 23; Rutenfjell, Sept. 6—all Fjell Line; Prins Mauritz, Aug. 5; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—all Oranje Line.

To Norwegian Ports.—Topdalsfjord, Aug. 7; Idefjord, Sept. 1—both Norwegian-American Line.

To Scandinavian and Baltic Ports.—Stureholm, Swedish America Mexico Line, Aug. 16; Kungsholm, Swedish-American Line, Aug. 19.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Noli, Aug. 1; Capo Lena, Aug. 19; Capo Olmo, Sept. 7—all Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—Gaspesia, Aug. 2 and 16; New Northland, Aug. 7 and 21—both Clarke SS. Co. (call at Cornerbrook only); Belle Isle (calls at St. John's and St. Pierre-Miquelon), Newfoundland-Canada SS. Ltd., Aug. 11 and 25; Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd., Aug. 29.

To Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy, Aug. 5; Colborne, Aug. 19; Cornwallis, Sept. 2—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Lady Rodney, Aug. 2; Cavelier (calls at Kingston only), Aug. 11; Lady Somers, Aug. 16; Cathcart (calls at Kingston only), Aug. 25—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Olympia, Aug. 26; a steamer, September—both Ocean Dominion SS. Corp.

To Buenos Aires.—Tureby, Aug. 5; Tercero, Sept. 8—both International Freighting Corporation (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Kaikoura, Aug. 25; a steamer, end of September—both Montreal Australia New Zealand Line Ltd. (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—Port Saint John, Aug. 10; a steamer, Sept. 9—both Montreal Australia New Zealand Line Ltd. (also call at Napier).

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Tawali, Aug. 24; Mapia, Sept. 23—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Deido (also calls at Lour-enco Marques and Beira), Aug. 7; Calgary, Aug. 27—both Elder Dempster Lines Ltd.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Bath, Aug. 12; a steamer, Aug. 26—both Canada India Service.

From Quebec

To Southampton.—Empress of Australia, Aug. 3 and 19; Empress of Britain, Aug. 12 and 26—both Canadian Pacific.

From Saint John

To Liverpool and Manchester.—Manchester Brigade, Aug. 12; Manchester Division, Sept. 2—both Manchester Line.

To London, Aberdeen, Newcastle and Hull.—Marwarri, Cunard-White Star Line, Aug. 22; Kyno, Ellerman's Wilson Line, Aug. 25.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Aug. 2; Lady Hawkins, Aug. 16; Lady Drake, Aug. 30—all Canadian National.

To Kingston and Jamaican Outports.—Macabi, Aug. 2; Iriona, Aug. 12 and 26—both United Fruit Co.

From Halifax

To Liverpool.—Nova Scotia, Aug. 3; Newfoundland, Aug. 19—both Furness Line.

To St. John's, Nfld.—Fort Amherst (also calls at Cornerbrook), July 31, Aug. 14 and 28; Fort Townshend (also calls at St. Pierre), Aug. 7 and 21, Sept. 4—both Furness-Red Cross Line; Magnhild, Newfoundland-Canada Steamships Ltd., Aug. 7 and 21, Sept. 4 (also calls at St. Pierre and Newfoundland outports); Nova Scotia, Aug. 3; Newfoundland, Aug. 19—both Furness Line; Portia, Newfoundland Ry. and SS. Co., Aug. 2.

To Kingston, Jamaica.—Cathcart, July 31 and Aug. 28; Cavelier, Aug. 14—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Aug. 10; Lady Hawkins, Aug. 24; Lady Drake, Sept. 7—all Canadian National; Maud, Aug. 3; Olympia, Aug. 31—both Ocean Dominion SS. Corp (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy, Aug. 9; Colborne, Aug. 23; Cornwallis, Sept. 6—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillemor, Aug. 9; Lillgunvor, Aug. 23—both Pickford & Black Ltd. (also call at Jamaican outports as cargo offers).

To Far East Ports.—Silversandal, Aug. 6; Silveryew, Sept. 5—both Silver Line; Chinese Prince, Aug. 21; Javanese Prince, Sept. 21—both Furness-Prince Line.

From Vancouver

To Yokohama, Kobe and Osaka.—Hikawa Maru, Aug. 12; Hie Maru, Aug. 26; Heian Maru, Sept. 9—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls at Honolulu), Aug. 5; Empress of Asia (calls at Nagasaki), Aug. 19; Empress of Canada (calls at Honolulu), Sept. 2; Empress of Russia (calls at Nagasaki), Sept. 16—all Canadian Pacific; Ixion, Sept. 2; Talthybius, Oct. 2—both Blue Funnel Line (call at Miike but not at Manila).

To Pacific Islands, Southern Group (Apia, Suva, Lautoka, Levuka, Nukualofa, Haapai, Vavau, Vila, Santo and Noumea).—Thor I, Empire Shipping Co. Ltd., Aug. 10.

To Honolulu, Suva, Auckland and Sydney.—Monowai, Aug. 2; Aorangi, Aug. 30—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia and Singapore.—Hoegh Transporter (calls at Saigon, Belawan Deli, Colombo and Bombay, will also call at Port Swettenham and Penang if sufficient cargo offers), Aug. 11; Djambi (calls at Colombo, Bombay, and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Aug. 31; Silveray (calls at Saigon, Belawan Deli, Colombo and Bombay, will also call at Port Swettenham and Penang if sufficient cargo offers), Sept. 9—all Silver-Java Pacific Line.

To Papeete, Auckland, Wellington, Melbourne and Sydney.—Hauraki (also calls at Dunedin and Adelaide), Canadian-Australasian Line, Aug. 15.

To Brisbane, Sydney, Melbourne and Adelaide.—Goonawarra, Aug. 17; Kookaburra, Sept. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Dinteldyk, Aug. 5; Lochavon (also calls at Glasgow), Aug. 19; Lochkatrine, Sept. 2; Lochmonar (also calls at Glasgow), Sept. 16—all North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Pacific, Aug. 19; Balboa, Aug. 24; Annie Johnson, Sept. 7; Axel Johnson (calls at Plymouth), Sept. 22—all Johnson Line.

To Antwerp, Hamburg and Bremen.—Tacoma, July 30; Portland, Aug. 10—both Hamburg-American Line; Este, July 30; Isar, Aug. 21—both North German Lloyd Line.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Oregon, Aug. 8; Wyoming, Aug. 23; San Antonio, Sept. 19—all Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Leme, Aug. 12; Fella, Sept. 9—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—Silverbelle, Aug. 8; Manoeran, Sept. 6—both Silver-Java Pacific Line (call at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Hopecrest (calls at East London but not at Port Elizabeth), beginning of August; Sheafcrown (also calls at Beira), early September—both North Pacific Shipping Co. Ltd.

To West African Ports.—A vessel, Jorgensen Shipping Company A/B, end of September (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi, and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Borgestad, about July 30; a steamer, late August—both Canadian Transport Co.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Leikanger, Aug. 23; Evanger, Sept. 28—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

To Buenaventura and Guayaquil.—A steamer, North Pacific Shipping Co. Ltd., August (also calls at Mexican and Central American west coast ports).

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER. Address for letters—90 Queen Street. Office—Safe Deposit Office Building. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

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C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

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France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

J. C. MACGILLIVRAY, 801 Columbus-Haus, Potsdamer Platz 1, Berlin W.9. (Territory includes Czecho-Slovakia and Poland.) *Cable address, Cantracom.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

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M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

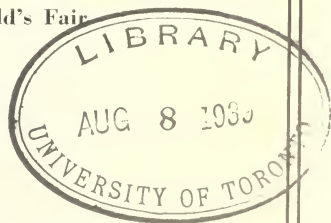
Vol. LXI

Ottawa, August 5, 1939

No. 1853



Canada's Pavilion at the New York World's Fair



ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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Ottawa, August 5, 1939

No. 1853

INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended June 30, 1939 (Nos. 1823 to 1847 inclusive), is now in the hands of the printer and will be sent out shortly to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to preserve them, with the Index, in bound volumes, or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

CONDITIONS IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE
UNITED KINGDOM

I. Internal Trade

London, July 11, 1939.—Trade conditions in the United Kingdom have shown a marked improvement in recent months, which has been reflected in some industries to a greater extent than in others, although improvement has been recorded in most directions. Business, however, continues to be influenced largely by the international situation and the Government's rearmament program. It cannot, therefore, be estimated with any degree of accuracy to what extent the recorded expansion in industry is attributable to rearmament requirements or the extent to which the factors contributing to the present expansion tend towards depression in those spheres of trade dependent upon political conditions and international tranquillity.

For example, while employment shows a rising tendency, bank clearings and activity in the building industry show downward trends, and there is depression on the Stock Exchange and in the realm of international trade. The stimulus to industries concerned with rearmament supplies may be gauged from the total estimated advance expenditure for the current year of £655,000,000 as compared with £400,000,000 in 1938-39, or approximately five times the amount in 1935-36.

Commenting on the effect of government expenditure upon business, the Bulletin of the London-Cambridge Economic Service says "it is doubtful how much further the development of the Government can go without a more definite check to private consumption."

IMPROVEMENT NOT DUE SOLELY TO REARMAMENT

Speaking at Cardiff, the Prime Minister said that, while the influence of the rearmament program was reflected in the greater industrial output and greater employment, the bulk of employment had been due to improvement in

commerce and there had been a rise in employment in such differing industries as cotton, coal mining, and shipbuilding. The President of the Board of Trade, in supporting this view, said there were a good many signs which showed that the general recovery which had taken place was not so greatly due to rearmament expenditure as some people would believe. Normally, if a purely unreal boom due to rearmament expenditure were taking place, a large increase in exports might be expected, owing to the necessity for purchasing raw materials for armaments from abroad, and a falling-off in exports. He said also that an examination of the trade figures for the first three months of this year did not show that tendency at all, as in the first three months of the year, although there was a fall in the value of exports, the volume actually increased by some 3 per cent; and in the case of imports, while there was a fall in value of 11 per cent and in volume of 3 per cent, whatever was the present effect of armament expenditure, the phase of abnormal imports, followed by a startling decline in exports, had not been entered. The absence of any abnormality in imports and the fact that there had been an expansion in retail trade in the country suggested that British industry was still engaged in supplying the usual requirements of the people and that there was as yet no general dislocation of industry. In the first four months of the present year there had been a reduction in the visible adverse balance of trade of £24,500,000 as compared with last year.

INDICES OF BUSINESS

The figures of industrial production for the first quarter of this year practically reached the level of the first quarter of 1938, and whereas in 1938 the figure for the first quarter was 3 per cent below the last quarter of the preceding year, this year the figures for the quarter were 4 per cent above those for the last quarter of 1938. Thus, not only has the country practically reached the level of production of a year ago but has improved on it. The *Economist* business index confirms this contention and shows the marked rise in industrial activity, the index improving by three points between March and April and rising progressively from 101 in December of last year (daily average of 1935 equals 100) to 109 in April. This would indicate an increase of 8 per cent in business activity, allowing full weight to the contribution of rearmament orders. The expansion of industry has not, however, been reflected, as might have been expected, in any rise in the level of commodity prices, which have remained unchanged for the most part since August of last year.

Under present conditions it is inevitable that the country's external trade should reflect the hesitancy in world markets. There have recently been increases in imports of raw materials, and this has tended to increase the country's adverse balance of trade. The *Economist* index of imports of raw materials stood provisionally at 127 in May as compared with 117½ in April and 98 in January. The figure of exports of British manufactures was provisionally 106½ in May as compared with 100½ in April and 102 in January.

RETAIL TRADE

The volume of retail trade has been well maintained despite the disturbing influences of international affairs, which would indicate that there has been no disturbance of the country's purchasing power. Daily sales in April were estimated to be 1·3 per cent higher than in April, 1938. Of the seven areas of the country covered by the Board of Trade's retail trade returns, only in central and west-end London did a decrease (of 7 per cent) in total sales take place, increases being recorded in all other districts from 1 per cent in suburban London to 3·4 per cent in the Midlands and South Wales. During the three months February to April, 1939, the country's total sales were 2 per cent above those of the corresponding period of 1938. Food and perishables rose by 2·2 per cent and other merchandise by 1·6 per cent.

IRON AND STEEL

Production in the iron and steel industry continues to increase, and in May the output of steel ingots and castings reached the highest level ever recorded, when the total output of crude steel amounted to 1,218,100 tons as compared with 1,170,900 tons in April and 957,000 tons in May of last year. The output of pig iron also increased in May, when it reached 692,100 tons as compared with 608,900 tons in April and 633,900 tons in May of last year.

The present production of steel represents an annual rate of about 13,660,000 tons, while the capacity of the industry is estimated at 14,700,000 tons per annum. During May the British Iron and Steel Federation announced that the affiliated associations had decided, with the approval of the Import Duties Advisory Committee, to maintain the prices of the main iron and steel products, with a view to expansion, at their present level for a period of four months from June 30.

SHIPBUILDING INDUSTRY

The Government's decision to adopt a measure of assistance for the shipping industry, with a view to increasing the amount of tonnage under the British flag, has stimulated activity in this industry. The Government is providing a fund of £10,000,000 for loans to shipping owners—£2,700,000 a year to be made available for five years as a subsidy for tramp shipping and a sum of £2,000,000 for the purchase of suitable vessels still capable of service on the United Kingdom register, which might be sold to foreign owners or after breaking up. These loans would be at a low rate of interest for the purpose of building tramps and cargo liners in British yards. In addition, shipowners placing orders within a few months are to qualify for an outright grant in each of the next five years, such grants being limited to a total of £500,000 annually and payable only if earnings warrant.

In a review of trade conditions the President of the Board of Trade said in the House of Commons that the shipbuilding statistics were among the most vital to the country at the present time. The volume undertaken in the first quarter of the year was 71,200 gross tons as compared with 173,000 gross tons in the first quarter of last year and 367,700 gross tons in 1937. He said the figures were disquieting, and their significance could not be ignored by the Government. He reported that the proposal to introduce aiding legislation produced an immediate effect which exceeded the expectations of the Government as to the result. Since the announcement concerning this legislation was made, the shipbuilders in Great Britain and Northern Ireland had received orders for 144 ships of 714,000 gross tons, and since that time there was no report of any orders being placed by British shipowners for ships from abroad.

BUILDING INDUSTRY

There has been some decrease in the volume of building construction, as the returns of building plans passed by 142 local authorities in May showed a reduction from those of the corresponding month of 1938. The estimated cost involved is £7,531,300 as compared with £8,234,800 in April, 1938, figures for factories and workshops and other buildings being the only two categories in which an increase is shown as compared with a year ago. The total for all classes of buildings was 19.5 per cent below the March figure and 8.5 per cent below that for April, 1938. The decline in building activity has been reflected more particularly in the construction of dwelling houses, but the increase in the construction of factories and workshops is due largely to the indirect effect of government contracts and other construction work in connection with the rearmament program.

TEXTILE INDUSTRY

The textile industry, particularly the cotton industry in Lancashire, has been passing through a period of great depression, but some improvement has been noted in recent months. Consequently, there has been some return of confidence in this industry. Cotton prices have risen, due to firmer conditions in raw cotton and to an increase in spinners' and manufacturers' production costs. The flow of new orders is reported to be irregular, and there has been some uncertainty regarding the raw cotton situation as a result of the proposals to subsidize United States cotton for export.

Spinning production at the end of May amounted to 64 per cent of capacity as compared with 62 per cent a month earlier and 50 per cent in May, 1938. Many manufacturers producing heavier materials have received substantial orders from the Government, and further contracts are pending. The improved conditions in the industry have been reflected in increased employment, the number of cotton operatives unemployed in May being 63,354 as compared with 70,097 in April and 127,549 in May, 1938. There has also been some improvement in textile exports, shipments of cloth in May being 119·7 million square yards as compared with 109·9 million square yards in May, 1938. Yarn exports were 10·6 million pounds as compared with 8·4 million pounds.

AGRICULTURE

The Minister of Agriculture has announced the Government's measures to assist farmers to improve the potential productivity of grassland by the contribution of £2 an acre in respect of permanent grass ploughed up before September 30, 1939. The object of the proposal is to encourage the development of land that had gone out of cultivation, and it is expected that some 250,000 acres will be ploughed as a result. The Minister announced that the scheme was an interim policy which had nothing to do with the long-term policy for agriculture and that detailed plans had been made to deal with the distribution of fertilizers, tractors, seeds, and all the implements the industry might require in the event of emergency.

Reports on the conditions of the principal crops in Great Britain at July 1 indicate an average estimate for wheat and barley higher than the ten-year average, with oats slightly less than usual. On the date mentioned, compared with the five previous years and with the ten years' averages (1929-38) at the same date (the figure 100 representing healthy condition, full growth, and freedom from injury), wheat was 91·31 as compared with 93·64 in 1938 and 85·05 in 1937. The corresponding figures for barley are 87·44, 83·87, and 80·99; for oats, 84·65, 85·23, and 80·13; for potatoes, 89·23, 83·9, and 87·94; for sugar beets, 91·01, 78·44, and 84·83; and for other roots, 82·75, 74·43, and 83·41.

EMPLOYMENT

The most marked evidence of the expansion in industry is reflected in the employment figures, which show that at June 12 the number of insured persons in employment was 12,810,000, which was 143,000 more than the total for May 15, 1939, and it is estimated that on a comparable basis there was an increase of 600,000 as compared with the figure for June 13, 1938. The chief improvements took place in basic industries, being most marked in building, public works, agriculture and horticulture, hotel and boarding-house services, engineering, shipbuilding, metal goods manufacture, the textile industries, tailoring, pottery manufacture, dock and harbour services, and the distributive trades.

On the other hand, there was a slight decline in employment in the coal-mining industry. At June 12 the numbers of unemployed persons in Great Britain was 1,098,793 wholly unemployed, 195,625 temporarily stopped, and

55,161 normally in casual employment, making a total of 1,349,579. This was 142,703 below the number on the registers at May 15, 1939, and 453,333 below the figure at June 13, 1938.

COMMODITY PRICES

The general level of wholesale prices of commodities rose in June after gradual advances in the preceding months. The increase, according to the *Times* index of commodity prices, was 1·6 per cent as compared with an increase of less than 1 per cent in the three preceding months. The figure for all prices on June 29 was 113·4 (1913 equals 100) as compared with 111·6 on May 30 and 117·2 on June 29 of last year. Compared with a year ago, the June level of prices was 3·2 per cent lower, but all this was accounted for by the drop of 11 per cent in food prices, since the index for industrial materials was 1·5 per cent higher than in June of last year. Food prices contributed chiefly to the higher level in June, with a rise of 3·1 per cent, while industrial materials gained 0·8 per cent.

(Part II of this report, dealing with the external trade situation, will appear in an early issue.)

EFFECTS OF DROUGHT ON AUSTRALIA'S FRUIT-GROWING AND CANNING INDUSTRIES

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, June 25, 1939.—The summer of 1937 and the winter and summer of 1938 were among the driest experienced in Australia, some regions of the Commonwealth being more adversely affected than others. Victoria, in which the principal fruit-growing districts of the Commonwealth are centred, was particularly unfortunate. Following a low rainfall during 1937, the drought of 1938 caused water storages in that state to become seriously depleted and, in a few instances, exhausted before it broke in the last three months.

EFFECTS ON PRODUCTION

In spite of the concentration of fruit-growing for canning purposes in the Goulburn Valley and neighbouring districts in Victoria, the amount of water available for irrigation purposes varied in the different centres according to the extent of local storages. While the Goulburn Valley received a minimum supply throughout 1938 and the early months of 1939, other districts were not so fortunate; in fact, in the Harcourt district water for irrigation finally ceased in January, 1939. Figures relating to the production of apples and pears in this district reveal the severity of the drought there. Output of apples from an area of 2,000 acres was 200,000 cases in 1938 and 20,000 in 1939 as compared with 550,000 in the record year of 1933. The corresponding figures for pears from 800 acres were 100,000, 5,000, and 200,000 cases.

The apple-growing districts of the Mornington Peninsula, near Melbourne, were not affected seriously and production was not below normal, except that the size of the fruit was smaller than usual. As a result of the shortage elsewhere, farmers in this region received a good return for their crops.

An opinion expressed by an official of the Victorian Department of Agriculture is that no permanent damage has been caused to fruit trees by the drought. On the contrary, it is anticipated that, as dry weather tends to be favourable to a development of fruit buds, there will be a good crop of fruit in Victoria next year. Only a small percentage of the trees seem to have been damaged to such an extent as to affect their yield in the future.

EFFECTS ON CANNED FRUITS INDUSTRY

So far as the fruit-canning industry is concerned, the effects of this drought have not been consistent. Figures relating to the 1938 season's pack of apricots, peaches, and pears, recently released by the Australian Canned Fruits Board, show that the output of apricots and pears declined but that the production of canned peaches increased by 62,054 cases and, in fact, constitutes a record pack. The packs of canned fruits, on a basis of two dozen 30-ounce cans per case, for the last two seasons are as follows:—

	1938 Cases	1939 Cases
Apricots	380,082	282,422
Peaches	1,790,742	1,852,796
Pears	860,104	572,977

The minimum rates which canners shall pay growers for this season's fruit were announced some time ago by the chairman of the Fruit Industry Sugar Concessions Committee, which in the 1938 season provided £A48,000 by way of rebates to canners on sugar used in canning fruit for export. The rates for peaches were fixed 20s. to 30s. per ton below last season's prices, while apricot and pear prices were unchanged. The prices for peaches were stated to be satisfactory, in view of the record quantities of unsold fruit at that time in the hands of the Californian canners.

The following table shows the total production for the 1939 season, including domestic pack of apricots, peaches, and pears, the carryover from 1938, exports from January 1 to April 30, 1939, and the exportable surplus at April 30 in 1939 and 1938:—

	Apricots	Peaches	Pears
Total 1939 pack	237,323	1,556,291	505,924
Carryover at December 31, 1938	43,144	166,498	108,638
Available for export	280,467	1,722,789	614,562
Exports, Jan. 1-April 30, 1939	68,825	291,552	169,100
Exportable surplus, April 30, 1939	211,642	1,431,237	445,462
Exportable surplus, April 30, 1938	234,769	1,174,074	537,042

It will be seen from these figures that the exportable surplus of apricots and pears at April 30 last was smaller than a year earlier, but that of peaches considerably greater. United Kingdom purchases (1938 figures within parentheses) were: apricots, 62,617 cases (79,552); peaches, 273,064 (258,795); pears, 165,050 (195,770). Canadian purchases, larger in each case, were: apricots, 2,525 cases (1,262); peaches, 8,732 (5,260); pears, 972 (232).

MARKET FOR CANNED MUSHROOMS IN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, July 13, 1939.—Canned mushrooms are not listed separately in the trade statistics, so that it is impossible to state accurately the quantity or value of the annual imports into Eire. Firms in the trade, however, agree that the quantity, although small, is increasing and amounts to a little over 1,000 cases per year. There seems little doubt, however, that if the commodity were less expensive the trade would grow rapidly. Only a small quantity of mushrooms is consumed domestically, sales being largely confined to hotels and restaurants. At one time bottled mushrooms were in good demand for household use but as private incomes diminished the demand decreased, sales of even the less expensive canned variety being greatly curtailed.

DOMESTIC PRODUCTION

Mushrooms are not canned or bottled in Eire, although they grow extensively in a wild state during the late summer and are produced by artificial cultivation all the year round. Prices to growers vary according to season. The current quotation is 1s. 9d. per pound in Dublin, rising to as high as 3s. per pound.

French canners employ local agents, working on commission, who book orders from the various local wholesale foodstuffs firm. The price for French "pints" is 5s. 6d. per dozen c.i.f. Dublin, which with the addition of package tax amounts to 8s. $\frac{1}{2}$ d. per dozen.

CUSTOMS DUTIES

The import duty on canned mushrooms is 6d. per pound full rate and 4d. per pound preferential rate. In addition there is a package tax at the rate of 2d. per pound, or fraction thereof, on imports from countries other than Canada and the United Kingdom, which countries pay 1d. per pound, or fraction thereof. Licences to import are freely granted by the Government, under which goods coming from Canada and the United Kingdom are free of duty except for the package tax, in accordance with the terms of the United Kingdom-Eire Trade Agreement, while those from other countries have to pay a 10 per cent ad valorem duty in addition to the package tax.

OPPORTUNITIES FOR THE CANADIAN PRODUCT

Apparently the only reason why Canadian exporters of mushrooms are not interested in this market is the paucity of the orders. Since their products enjoy a duty preference over those from all countries except the United Kingdom and are assessed only half of the package tax, the present sales possibilities of the market are commended to their special attention. Inquiries are invited by the Canadian Trade Commissioner at Dublin.

TRADE COMMISSIONERS ON TOUR

Mr. P. V. McLane, Canadian Trade Commissioner at Kobe, Japan, and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories.

Mr. Strong's itinerary is as follows:—

Kingston	Aug. 7	Halifax	Aug. 30
Montreal	Aug. 8 to 18	Charlottetown	Sept. 1
Fredericton and other		Quebec	Sept. 3
points in N. B.	Aug. 21 to 23	Ottawa	Sept. 5

Mr. McLane will be in Vancouver from September 5 to 15.

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, Norway (whose territory includes Sweden, Denmark, and Finland), will begin a tour of Canada on August 8. The first three weeks of his itinerary is as follows:—

Toronto	Aug. 8 to 19	Galt, Kitchener and	
Niagara Falls and Thorold.	Aug. 21	New Hamburg	Aug. 25
St. Catharines	Aug. 22	Stratford	Aug. 26
Hamilton	Aug. 23	London	Aug. 28
Guelph and Hespeler	Aug. 24	Ingersoll, Woodstock and	
		Brantford	Aug. 29

Firms wishing to be brought in touch with the Trade Commissioners should communicate: for Vancouver, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

SUMMARY OF THE TRADE OF CANADA: MONTH, SIX MONTHS, AND TWELVE MONTHS ENDING JUNE, 1939

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of June 1939				Six Months ending June 1939				Twelve Months ending June 1939			
	From United Kingdom		From United States		From United Kingdom		From United States		From United Kingdom		From United States	
	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	12,752,194	1,109,550	4,457,753	57,661,984	6,524,868	21,641,072	119,874,362	14,991,041	41,777,290	12,163,223	12,163,223	12,163,223
Animals and Animal Products.....	2,658,938	374,251	1,303,278	14,302,657	2,080,460	7,010,047	26,189,447	4,337,374	12,032,436	26,110,719	26,110,719	26,110,719
Fibres, Textiles and Textile Products.....	7,713,902	3,063,905	3,082,494	45,668,085	20,936,744	16,002,849	88,228,905	40,109,004	31,082,436	128,623,681	128,623,681	128,623,681
Wood, Wood Products and Paper.....	2,627,602	306,114	2,119,482	15,448,675	1,548,632	12,933,157	31,800,158	3,604,877	23,300,106	23,300,106	23,300,106	23,300,106
Iron and its Products.....	14,447,335	2,095,541	11,656,653	76,845,852	8,798,855	65,616,523	152,099,006	18,057,656	91,667,986	91,667,986	91,667,986	91,667,986
Non-Ferrous Metals and their Products.....	3,479,603	351,901	2,318,467	17,254,589	2,718,093	11,986,151	35,842,232	5,603,863	23,300,106	23,300,106	23,300,106	23,300,106
Non-Metallic Minerals and their Products.....	11,941,318	1,285,511	8,786,955	52,927,716	5,214,003	41,523,248	120,669,018	12,879,047	66,338,427	66,338,427	66,338,427	66,338,427
Chemicals and Allied Products.....	3,440,569	712,614	2,315,005	17,084,442	3,252,925	11,250,785	36,541,483	7,308,583	23,753,644	23,753,644	23,753,644	23,753,644
Miscellaneous Commodities.....	4,647,921	795,314	3,318,427	23,885,319	4,130,170	17,084,471	50,593,827	8,044,677	36,927,504	36,927,504	36,927,504	36,927,504
Totals Imports, 1939.....	63,709,402	10,124,698	39,388,514	321,079,319	55,204,777	205,068,303	661,838,438	114,986,722	414,416,589	414,416,589	414,416,589	414,416,589
1938.....	58,946,698	9,241,781	37,081,460	336,692,235	59,510,455	215,382,281	764,772,871	137,285,305	468,093,415	468,093,415	468,093,415	468,093,415
1937.....	75,668,684	13,392,253	45,621,215	380,815,689	69,516,731	237,793,844	722,201,790	135,655,549	428,345,604	428,345,604	428,345,604	428,345,604
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	17,474,281	9,109,621	4,197,685	76,002,173	40,586,454	13,309,131	192,014,398	103,232,217	35,125,199	35,125,199	35,125,199	35,125,199
Animals and Animal Products.....	8,714,753	5,173,526	2,499,310	60,237,701	31,946,015	21,364,318	124,197,666	71,551,005	37,983,414	37,983,414	37,983,414	37,983,414
Fibres, Textiles and Textile Products.....	1,505,630	279,804	503,850	6,895,813	2,009,180	926,980	13,568,010	3,442,499	1,857,240	1,857,240	1,857,240	1,857,240
Wood, Wood Products and Paper.....	21,886,775	5,053,246	13,469,395	105,005,857	18,534,792	71,539,815	221,978,383	39,157,332	151,424,527	151,424,527	151,424,527	151,424,527
Iron and its Products.....	6,001,441	1,732,155	407,450	32,751,927	8,432,339	5,518,593	58,518,593	33,653,721	8,853,022	8,853,022	8,853,022	8,853,022
Non-Ferrous Metals and their Products.....	31,439,190	7,623,358	19,822,671	149,680,022	44,412,729	78,566,072	311,503,397	87,691,803	167,737,891	167,737,891	167,737,891	167,737,891
Non-Metallic Minerals and their Products.....	3,065,879	333,358	1,159,824	11,045,280	1,027,062	5,988,802	24,791,841	2,827,180	12,352,441	12,352,441	12,352,441	12,352,441
Chemicals and Allied Products.....	1,792,309	640,569	585,567	12,439,646	3,241,135	5,616,553	21,228,148	5,930,388	8,359,358	8,359,358	8,359,358	8,359,358
Miscellaneous Commodities.....	1,388,886	392,502	633,739	7,929,072	2,355,651	3,900,323	15,546,024	4,188,649	8,766,561	8,766,561	8,766,561	8,766,561
Totals, 1939.....	93,239,144	30,338,149	43,279,491	461,987,491	152,875,347	203,364,376	984,346,460	331,654,794	427,459,653	427,459,653	427,459,653	427,459,653
1938.....	66,661,913	25,600,102	20,698,440	391,076,834	160,931,639	121,816,638	972,949,486	359,572,324	350,760,272	350,760,272	350,760,272	350,760,272
1937.....	113,918,104	37,921,628	52,120,551	528,319,499	175,939,790	241,237,412	1,123,716,443	417,257,328	481,065,964	481,065,964	481,065,964	481,065,964
<i>Exports (Foreign Produce)</i>												
Totals, 1939.....	1,232,236	100,461	1,034,966	5,274,764	441,850	4,392,361	23,962,233	11,034,003	8,791,356	8,791,356	8,791,356	8,791,356
1938.....	11,645,891	8,043,297	553,801	24,602,813	13,107,333	6,462,565	31,415,198	13,727,106	12,053,824	12,053,824	12,053,824	12,053,824
1937.....	1,379,539	80,065	1,209,817	7,935,476	676,751	6,630,864	15,914,535	1,112,547	13,618,067	13,618,067	13,618,067	13,618,067
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1939.....	(e) 30,791,978	(e) 20,313,912	(e) 4,925,943	(e) 146,182,936	(e) 98,112,420	(e) 2,688,434	(e) 346,470,225	(e) 227,702,075	(e) 21,834,420	(e) 21,834,420	(e) 21,834,420	(e) 21,834,420
1938.....	(e) 39,361,136	(e) 24,401,618	(e) 15,849,219	(e) 78,987,412	(e) 33,987,412	(e) 87,103,078	(e) 239,591,813	(e) 266,014,125	(e) 105,279,819	(e) 105,279,819	(e) 105,279,819	(e) 105,279,819
1937.....	(e) 39,628,959	(e) 24,609,440	(e) 7,709,153	(e) 150,459,286	(e) 107,119,810	(e) 10,074,432	(e) 417,429,188	(e) 282,714,326	(e) 66,338,427	(e) 66,338,427	(e) 66,338,427	(e) 66,338,427

FOREIGN TRADE OF INDIA, 1938-39

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.36 Canadian)

Calcutta, June 21, 1939.—Indian trade returns for March, 1939, containing preliminary statistics of the country's foreign trade during the preceding twelve months, reveal a marked decline in the value of India's foreign commerce as compared with the previous year. Both imports and exports fell off appreciably, the combined value declining from Rs.3,629,881,000 to Rs.3,215,321,000.

The following table shows the values of imports, exports, and total trade, and the visible balance of trade, for the fiscal years ended March 31, 1938 and 1939:—

Foreign Trade of India, Years ended March 31, 1938 and 1939

	1937-38 Rs. 1,000	1938-39 Rs. 1,000
Imports	1,737,826	1,523,371
Exports	1,892,055	1,691,950
Total trade	3,629,881	3,215,321
Balance of trade	+ 154,229	+ 168,579

Despite the heavy shrinkage in trade values during the year recently ended, India can look with some satisfaction on a restricted but still notable improvement in the balance of her transactions in merchandise with overseas countries. The general economic position is, however, slightly less favourable, the total visible balance of trade, inclusive of transactions in treasure, having declined in comparison with 1937-38 and being slightly below the adverse balance recorded for transactions in sterling funds and securities.

TRADE BY COMMODITIES

The net decrease of some Rs.215,000,000 in value of total imports was mainly due to a decline in the value of manufactured products amounting to Rs.153,000,000 and in that of raw materials and semi-manufactured articles of Rs.78,000,000. These declines were offset to some extent by an increase in the value of imports of food, drink, and tobacco, amounting to Rs.21,000,000, comprised principally of the value of abnormal imports of wheat and Burma rice, and by a substantial appreciation in India's purchase of betelnuts and other spices. The only other group of imports to show any increase of note was that of machinery, for which import values improved by Rs.17,400,000 as compared with 1937-38. The outstanding item in this trade was electric equipment of various types. The bulk of the decline in the value of the year's import trade resulted from smaller purchases of the following items: raw cotton, mineral oils, artificial silk goods, motor vehicles, and steel in various forms.

There were some unusually severe declines in exports and many instances of modest increases. The net decline in value of exports as compared with 1937-38 is largely attributable to reduced sales of raw materials and manufactured goods. The former group showed a decrease in value of Rs.82,328,301, while the decrease in the case of purely manufactured products was Rs.77,015,730. Foodstuff exports also fell off by Rs.19,274,610. There was a shrinkage in the export value of raw cotton of over Rs.51,000,000. Sales of jute bags and cloth decreased by Rs.28,600,000 and those of cotton piece-goods by Rs.21,800,000. The other commodities which suffered from disturbed or otherwise unsatisfactory domestic conditions or reduced foreign demand were hides and skins (both raw and dressed), wheat, raw jute, and manganese ore. In each case the decline in export values as compared with the previous year was over Rs.10,000,000.

TRADE BY COUNTRIES

The important degree to which India's foreign trade is based on countries within the Empire is illustrated by the fact that 57·5 per cent of all imports was from Empire countries and 52 per cent of all exports to Empire countries. It is further emphasized by the fact that the value of imports from British countries declined by only Rs.67,000,000 compared with a decline of Rs.148,000,000 in the value of imports from other countries, and that purchases by Empire countries fell off only by Rs.78,000,000 as compared with a decline of Rs.137,000,000 in purchases by other countries.

The most noteworthy improvements in import values were in India's purchases from the Straits Settlements, Kenya, Australia, Iran, China, and Italy, while the largest declines in value were recorded for imports from the United Kingdom, Japan, the United States, and Germany. Export business showed less severe fluctuations. The largest increases in values were in shipments to France, China, and Czech-Slovakia and reduced values most marked in sales to the United Kingdom, the United States, Japan, Germany, and Belgium.

TRADE WITH CANADA

Proportionately, the limited trade between Canada and India showed a large decline in value in 1938-39 as compared with 1937-38. Imports from Canada decreased from Rs.9,955,795 to Rs.9,086,344 or by 8·7 per cent, while Indian exports to Canada fell off from Rs.23,182,119 to Rs.20,837,638 or by 10·1 per cent. The decrease in imports was almost entirely due to the general dullness in the trade in passenger cars, which affected as well those from all the other principal sources of supply of motor vehicles. India's imports of Canadian passenger cars, compared with the previous year, declined by Rs.959,601. Although total imports of commercial vehicles decreased by Rs.8,840,000, however, imports from Canada showed an increase over the value for the previous year.

Most of the decrease in India's exports to Canada is accounted for by a drop of Rs.2,057,000 from 1937-38 in sales of hessian gunny cloth to the Dominion. Tea exports to Canada declined by Rs.318,000 and those of hessian gunny bags by Rs.148,000, while minor declines occurred in exports of shellac, carpets and rugs, and pepper. Rice exports, on the other hand, increased in value by Rs.154,000.

POINTS FOR EXPORTERS TO THE BAHAMAS

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, June 24, 1939.—The Bahamas, a group of twenty-five inhabited and many uninhabited islands off the southeast coast of Florida, had a population of 59,828 when the last census was taken in 1931. Of this number, 27,848 resided on the island of New Providence, where Nassau, the capital is situated. The present estimated population is about 67,000. More than half of the colony's entire imports is consumed in New Providence, and practically its entire trade is centred there.

Total imports into the Bahamas from all countries in 1938 were valued at £1,146,909, of which the United States supplied 44·7 per cent, the United Kingdom 24 per cent, and Canada 11·7 per cent. The great influx of tourists each year results in a considerable increase in the consumption of imported goods, which accounts in some measure for the abnormally large per capita importation.

DISTRIBUTION OF IMPORT TRADE

The Bahamian import trade during the past three years is summarized in the following table:—

United States—	1936	1937	1938
Value	£415,161	£ 556,239	£ 513,340
Per Cent	42.9	45.6	44.7
United Kingdom—			
Value	238,084	272,731	272,986
Per cent	24.6	22.3	24.0
Canada—			
Value	130,231	154,151	131,677
Per cent	13.5	12.6	11.7
Other countries—			
Value	183,764	236,232	228,906
Per cent	19.0	19.5	19.6
Total value	£967,240	£1,219,353	£1,146,909

During the prohibition era in the United States, imports of liquor into the Bahamas were very large, but they have since declined to modest proportions and now represent normal requirements for domestic consumption. As is well known, the colony has long been firmly established as a winter resort for thousands of Americans and Canadians, and several large hotels and sumptuous private residences have been built. This considerable tourist trade produces a demand for imported goods, mostly of high quality, far beyond the consuming capacity of the permanently resident population. When the tourist trade is sub-normal, imports decline, and vice versa.

As shown in the above table, the United States is the largest factor in the Bahamas import trade. This is primarily due to the colony's proximity to that country, resulting in regular and frequent steamship communications between Nassau and United States ports. Besides the regular shipping services provided from New York, there are several motor-driven vessels, averaging about 100 tons net registered tonnage, plying between Nassau and Florida ports and carrying both passengers and freight. These boats are owned by Nassau merchants who naturally are interested in carrying freight, and therefore a considerable share of the package goods trade, particularly in foodstuffs, enters Nassau by way of Miami or Jacksonville. It is of further advantage to the Bahamas importer that he can buy in small quantities and obtain delivery practically overnight.

A few New York indent houses still hold a large share of the import trade, especially in hardware and dry goods, but locally resident commission agents have in late years become more prominent in that business.

FACTORS DETERMINING SALES

The Royal Bank of Canada maintains a branch in Nassau; this is the only commercial bank in the colony. Fairly liberal credits are expected and obtained by most of the local merchants. There is a great volume of business during the winter, i.e. from December to April, when the tourist season is at its height. Deliveries are usually required in anticipation of the winter trade; care should accordingly be exercised in making shipments to ensure that they arrive in accordance with the buyers' instructions.

Personal contact is highly desirable, if not essential, and Canadian firms desirous of entering this market are advised to send their representatives to study local requirements and to become acquainted personally with their prospective customers.

COMMUNICATIONS

Vessels of the Canadian National Steamships call at Nassau every fortnight on their way from Montreal or Halifax via Bermuda to Jamaica, and

make a similar call on their return voyages to Canada. When requested, the Canadian National Steamship Company likewise send their smaller ships to Nassau during the tomato season to take on cargoes of this product.

Under a two-year contract with the Bahamas Government, the Cunard-White Star Line provides weekly passenger, mail, and freight communication between Nassau and New York; this service began on May 1, 1939. During the winter tourist season (January to April) the Clarke Steamship Company's vessels ply between Nassau and Miami twice a week. Running regularly between Nassau and Florida and carrying passengers and freight, are several motor vessels of about 100 tons net, owned by Bahamas merchants, as mentioned above. Shipping communication between the island of New Providence, where Nassau, the capital, is situated, and the other islands of the Bahamas group is maintained by motor and sailing vessels. In the tourist season numerous large passenger liners call at Nassau.

AIR SERVICES

The Bahamas also have the benefit of frequent air communication. There is a daily air service during winter between Nassau and Miami, provided by the Pan-American Airways Inc. with aeroplanes carrying up to twenty passengers. In summer this service is reduced to three times a week. A weekly air service between Nassau, Harbour Island, and Eleuthera was maintained between January and April, 1939.

DOCUMENTATION

In order to obtain the benefit of the British preferential tariff in the Bahamas, applicable to imports from Canada, the importer must submit to the Collector of Customs a properly executed certificate of value and origin. This document is printed on the back of the invoice form obtainable from most commercial stationers in Canada.

The basis of assessing ad valorem duty is the c.i.f. cost in bond at Bahamas port of entry.

TRADE OF BRITISH MALAYA IN 1938

A. K. DOULL, ACTING CANADIAN TRADE COMMISSIONER

(All values are in Straits currency: S\$1 equals 55 cents Canadian at present rate of exchange. Quantities are in tons of 2,240 pounds)

Singapore, June 21, 1939.—The total foreign trade of British Malaya during 1938 amounted to \$1,104,964,000 (Can.\$607,730,000) or 29·8 per cent less than the previous year's total of \$1,586,548,000 (Can.\$872,601,400). Though the value of total trade was less than in 1936 or 1937 and only 64 per cent of that in 1929, it was 72·5 per cent greater than during the depression year 1932.

The following table summarizes British Malaya's merchandise trade (excluding bullion but including parcel post) in the years 1929, 1932, and 1936, 1937, and 1938:—

Year	Imports	Exports	Total Trade	Balance of Trade
	Figures in 1,000 Straits Dollars			
1929	888,754	925,880	1,814,634	+ 37,126
1932	380,889	326,630	707,518	— 54,259
1936	507,856	629,456	1,137,312	+121,600
1937	686,200	899,348	1,586,548	+213,148
1938	546,610	569,315	1,115,925	+ 22,705

EXPORTS

Merchandise exports were valued in 1938 at \$569,315,000 (Can.\$313,123,000), having declined 36·7 per cent from the total value of \$899,348,000 (Can.\$494,641,000) during 1937.

Despite a sharp reduction in purchases during 1938, the United States remained Malaya's best customer, having taken 29·8 per cent of all exports (44·3 per cent during 1937). The United Kingdom was the second most important buyer of Malayan products, taking 14·4 per cent of exports (10·9). Purchases by other British Empire countries totalled 17·9 per cent (13·2) of total exports, while the continent of Europe took 16·9 per cent (16·3). The following table shows merchandise exports by principal destinations in 1936, 1937, and 1938:—

Exports of British Malaya by Principal Destinations

	1936 Figures in 1,000	1937 Straits Dollars	1938 Dollars
Total	629,456	899,348	569,315
United Kingdom	53,941	98,523	82,072
Other British Empire	93,555	117,616	101,978
Continent of Europe	76,238	146,413	96,528
United States	295,609	398,849	172,763
Japan	48,207	60,712	53,887
Netherlands India	33,005	34,757	40,819
Other countries	28,901	42,478	21,268

EXPORTS BY COMMODITIES

The joint function of the Straits Settlements as entrepôts for British Malaya and as ports of transhipment for foreign cargo results in Malaya being credited with the export of a number of products not of domestic origin. For example, piece-goods are obviously non-Malayan, though one of the larger exports. The same applies to rice. Even in the case of rubber, which is a domestic product, Malaya re-exports supplies from Netherlands India and Siam.

In section "A" of the following table are listed exports of those commodities primarily of domestic origin, while in section "B" are listed items of which a substantial part are re-exports:—

Exports of British Malaya by Commodities

"A" EXPORTS

	1937		1938	
	Tons	S\$1,000	Tons	S\$1,000
Rubber	681,638	484,662	526,911	212,981
Tin	93,106	189,769	61,187	96,339
Pineapple	80,504	8,826	73,169	7,263
Palm oil	42,928	6,519	54,540	6,240
Coconut oil	40,508	7,796	49,502	5,647
Jelutong	1,741	803	7,589	4,081

"B" LARGELY RE-EXPORTS

Rice	138,520	9,589	199,584	13,217
Copra	200,989	22,794	186,271	12,494
Areca nuts	83,156	10,578	89,189	10,446
Fish, dried and salted	49,047	6,911	52,041	7,468
Cotton piece-goods	33,977,356	4,220	26,454,952	3,485
Sago	74,349	4,917	44,707	2,578
Tapioca	24,212	1,984	23,870	1,608
Rattan	11,056	1,937	8,098	1,399
Gum damar	11,508	1,635	8,644	1,114

During 1938 rubber and tin jointly accounted for 54 per cent of Malaya's exports (rubber 37 and tin 17 per cent); in the more normal year 1937 they accounted for 74 per cent (rubber 53 and tin 21 per cent).

EXPORTS TO CANADA

Malayan statistics credit Canada as destination for goods to the value of S\$17,590,783 (Can.\$9,675,000) during 1938, or 32 per cent less than in 1937, when goods to the value of S\$25,835,000 (Can.\$14,984,300) were shipped to

Canada. The principal commodities exported to Canada in 1938 were rubber (23,656 tons, S\$11,769,000), tin 1,567 tons, S\$2,459,261), palm oil (18,749 tons, S\$2,241,578), pineapple (8,491 tons, S\$911,483). Other products included gum damar, coconut oil, sago, tapioca, black and white pepper.

Though rubber and pineapple move direct to Canada, there is in the case of tin, spices, oils, gums, etc., a further indirect trade via New York, London, and other transshipment points.

IMPORTS

Merchandise imports into British Malaya during 1938 were valued at \$546,610,000 (Can.\$307,675,000) or a decline of 19·4 per cent from the total of \$686,200,000 during 1937. Netherlands India, with the aid of rubber shipments intended for re-export, was the principal country of origin, supplying 27·5 per cent of imports (32·3 per cent during 1937). The United Kingdom, the second most important source, supplied 18·3 per cent (15·6). The British Empire (excluding the United Kingdom) in the aggregate supplied a larger percentage, namely, 19·8 per cent (17·3). Imports from Japan decreased by almost 69 per cent.

The following table shows merchandise imports into British Malaya by principal sources of supply in 1936, 1937, and 1938:—

Imports into British Malaya by Principal Sources

	1936	1937	1938
	Figures in 1,000 Straits Dollars		
Total	503,024	686,200	546,610
United Kingdom	76,549	105,959	102,332
Other British Empire	82,803	117,616	110,418
Continent of Europe	23,938	39,133	26,008
United States	9,359	15,907	17,125
Japan	32,546	40,482	12,426
Netherlands India	161,219	220,054	154,229
Other countries	116,610	147,049	124,072

Imports from Canada were valued at \$4,960,354 (Can.\$2,728,200), showing a decline of 7·1 per cent from the 1937 total of \$5,332,031, but exceeding the value of imports in 1936 by 79·1 per cent. Against the average decline in imports of 19·4 per cent, Canada's loss of 7·1 per cent may be considered satisfactory. This loss is more than covered by the curtailed sale of commercial vehicles, imports of which declined by \$787,000.

NOTES ON IMPORTS OF INTEREST TO CANADA

Certain of British Malaya's imports in which Canadian manufacturers and exporters are or might be interested are reviewed hereunder. All figures are for 1938, with 1937 figures within parentheses:—

Milled Cereals.—Total, 45,735 cwts., \$563,180 (54,048 cwts., \$561,783): China, 41·2 per cent; United States, 26·9; United Kingdom, 22·5; Australia, 2·7; British India, 1·9; Canada, 320 cwts. valued at \$9,291 (176 cwts., \$4,311). There is a market for hermetically sealed cereal foods supported by advertising.

Wheat Flour.—Total, 64,849 tons, \$5,147,418 (67,983 tons, \$6,549,242): Australia, 90 per cent; India, 9·1 per cent. Canada supplied 46·4 tons valued at \$6,325 (91 tons, \$11,264). Bakeries are primitive and unwilling to pay the premium on Canadian supplies. Three modern bakeries are using Canadian flour for blending.

Hay and Chaff.—Total, 1,257 tons, \$90,825 (1,102 tons, \$77,508): Australia, 85·6 per cent; Canada, 13·1; United States, 1 per cent. Canada supplied 116 tons valued at \$11,937 (117 tons, \$13,448). The only horses in Malaya are for racing and riding. Australian supplies are cheaper, but many racing stables favour Canadian supplies.

Biscuits.—Total, 13,773 cwts., \$763,752 (16,150 cwts., \$830,700): United Kingdom, 50·8 per cent; Ireland, 34·7; Australia, 6·2; Hongkong, 5·5; Belgium, 0·9; and Germany, 0·8. Hermetic sealing is essential. Popular lines are extensively advertised. Australia is gaining a place with well-packed, lithographed, sealed tins at competitive prices.

Chocolates, Packaged.—Total, 673,959 pounds, \$407,708 (766,020 pounds, \$412,221): United Kingdom, 69·8 per cent; Belgium, 15·1; United States, 3·8; France, 3·5; Netherlands India, 2·8; and Canada, 1·8, being 7,762 pounds valued at \$7,160 (6,445 pounds, \$5,714). Two Canadian manufacturers offer hermetic packing and are making progress.

Dry Salted Fish.—Total, 50,808 tons, \$7,154,413 (46,864 tons, \$7,439,988): French Indo-China, 48·7 per cent; Siam, 29·1; China, 8·6; Netherlands India, 7·7; Hongkong, 1·4 per cent. With the exception of small lots of luxury fish, imports are tropical fish cured in adjoining countries and shipped to Singapore, which is the distribution centre for Middle Asia. There is prospect for the introduction of dry salt herring from British Columbia. (See "Market for Dry Salt Herring in Middle Asia" in *Commercial Intelligence Journal* No. 1823: January 7, 1939.)

Fresh Fish.—Total, 5,080 tons, \$1,201,707 (3,899 tons, \$1,021,254): Sumatra, 87 per cent; United Kingdom, 6·1; Siam, 4·7. Canada supplied 20·4 tons valued at \$16,495 (28 tons, \$21,767).

Canned Sardines.—Total, 3,048 tons, \$829,421 (5,925 tons, \$1,102,974): United States, 65·9 per cent; Japan, 24·5; Canada, 5·3; Portugal, 2·4. Canada supplied 88 tons valued at \$43,649 (50 tons, \$26,881). Anti-Japanese sentiment of the Chinese middlemen has created a demand for "white" packs, which have been met largely by "flat ovals" from California. Canadian packs of herring and pilchards have been competitive only occasionally.

Canned Salmon.—Total, 80 tons, \$50,172 (87 tons, \$47,421): United States, 47·5 per cent; Canada, 32·7; Alaska, 15·4; United Kingdom, 2·04. Canada supplied 42 tons valued at \$16,384 (50 tons, \$17,575).

Canned Fish, N.O.P.—Total, 589 tons, \$320,304 (1,352 tons, \$579,697): Mexico, 49·1 per cent; China, 12·3; United States, 10·4; Canada, 7·8; United Kingdom, 7·2; Japan, 3·3. Canada supplied 71 tons valued at \$25,091 (1 ton, \$1,784).

Fresh Fruit.—Total, 20,190 tons, \$3,012,096 (20,949 tons, \$3,111,2663): China, 45·2 per cent; Hongkong, 22·9; Australia, 17·9; Netherlands India, 7·9; Canada, 1. Canada supplied 83 tons, \$24,729 (13 tons, \$3,448). This item is principally tropical fruits, but includes apples, citrus fruits, grapes, etc. Canadian apples are in competition with apples from the United States, while during the supplementary season supplies come from Australia. With improved transshipment facilities Canada's turnover should be substantially increased. (See "Middle Asia Market for Apples" in *Commercial Intelligence Journal* No. 1811: October 15, 1938.)

Bottled Fruit.—Total, 1,081 tons, \$277,075 (1,961 tons, \$458,382): China, 53·4 per cent; United States, 34·7; United Kingdom, 11·1; Hongkong, 2·6; Australia, 2·3; Canada, 1. Canada's share is represented by 1·9 ton valued at \$2,653 (4·5 tons, \$3,968). (See "Canned and Preserved Fruits in Middle Asia" in *Commercial Intelligence Journal* No. 1808: September 24, 1938.)

Jams and Jellies.—Total, 269 tons, \$121,231 (300 tons, \$120,180): United Kingdom, 70·9 per cent; Australia, 25·7; Canada, 1, represented by 2 tons, value \$1,215 (1·5 ton, \$985).

Condensed and Sweetened Milk.—Total, 1,457,160 cases, \$9,017,302 (1,531,598 cases, \$9,312,414): United Kingdom, 37·5 per cent; Netherlands, 31; Australia, 21·7; New Zealand, 3·8. Canada supplied 100 cases, value \$672 (nil).

Evaporated Milk.—Total, 113,647 cases, \$726,325 (113,482 cases, \$722,630): United Kingdom, 48 per cent; Canada, 28·8; Netherlands, 12·8; Japan, 1. Canada supplied 31,686 cases valued at \$209,578 (12,873 cases, \$83,759).

Empire milks enjoy a preference of \$84 per 100 pounds in the Federated and Unfederated Malay States. If additional supplies are made available turnover can be largely increased.

Powdered Milk.—Total, 412 tons, \$570,026 (396 tons, \$520,425): United Kingdom, 57·3 per cent; Canada, 18·1; Australia, 14·7; New Zealand, 6·5; United States, 2·1. Canada supplied 63 tons valued at \$103,536 (61·5 tons, \$97,769).

Sauces.—Total, 316,992 gallons, \$236,536 (441,774 gallons, \$285,866): China, 50·9 per cent; United Kingdom, 19·4; Canada, 9·3, represented by 9,758 gallons valued at \$22,203 (17,800 gallons, \$32,436); Japan, 7·9; United States, 6·3; Siam, 1·4. Asiatic sauces are the largest sellers. The United Kingdom supplies meat sauces, while Canada and the United States furnish tomato catsup, which is popular with the Asiatic buyer. (See article above mentioned in *Commercial Intelligence Journal* No. 1808: September 24, 1938.)

Canned Vegetables.—Total, 1,894 tons, \$463,564 (2,367 tons, \$582,508): China, 41·2 per cent; United States, 14·9; United Kingdom, 14·9; France, 9; Hongkong, 5·9; Canada, 3·7, represented by 53 tons valued at \$17,061 (44 tons, \$15,158); Netherlands, 3·7; Belgium, 3.

Potatoes.—Total, 15,821 tons, \$867,756 (17,670 tons, \$781,633): Netherlands, 21·9 per cent; Japan, 19·8; Egypt, 12·4; Burma, 11; Netherlands India, 10·9; Australia, 7·5; Hongkong, 6·8; Canada, 2·7, represented by 355 tons valued at \$24,818 (218 tons, \$15,728);

British India, 2·4. Unusually low quotations from the Netherlands prevented Canada from capturing a more substantial portion of the free market resulting from the lack of interest in Japanese supplies. (See "Middle Asia Market for Potatoes" in *Commercial Intelligence Journal* No. 1806: September 10, 1938.)

Sawn Lumber (Other than Teak).—Total, 2,998 tons of 50 cubic feet, \$148,061 (1,330 tons, \$63,655): Siam, 64 per cent; North Borneo, 11·9; United States, 8·2; Sarawak, 5·4; Australia, 3·2; Canada, 2·9, represented by 72 tons of 50 cubic feet valued at \$4,320 (34 tons, \$1,257). This item is almost exclusively woods from adjoining Asiatic countries. Any improvement in Canada's position will be at the expense of domestically cut supplies.

Non-metallic Mineral Products.—Total, 4,712 tons, \$373,652 (4,865 tons, \$393,000): United Kingdom, 68·3 per cent; Canada, 5·7, represented by 44 tons valued at \$21,419 (16·4 tons, \$8,018); United States, 4·9; China, 4·6; Germany, 2·6; Norway, 2·6; Belgium, 2·6; Italy, 2·2; Japan, 1·5.

Steel Bars, Rods, Angles, Shapes and Sections.—Total, 25,567 tons, \$3,115,987 (41,278 tons, \$3,629,543): Belgium, 38·5 per cent; United Kingdom, 34·8; Luxembourg, 7·6; France, 7·2; Germany, 2·8; Australia, 2·7. At the year's end Australia was a major source of supply. Canadian mills willing to quote competitively should advise this office in detail, listing base prices, extras, and tonnage available.

Wire Netting.—Total, 877 tons, \$219,330 (722 tons, \$157,061): Germany, 56·3 per cent; Netherlands, 27·7; United Kingdom, 7; Austria, 2·5. Canada supplied 2·4 tons valued at \$1,292 (no previous record).

Aluminium Ware.—Total, 303 tons, \$449,152 (656 tons, \$742,363): Burma, 32 per cent; Germany, 25·5; Switzerland, 17·4; United Kingdom, 16·4; Czechoslovakia, 2; China, 1·8. Canada supplied 3·6 tons valued at \$5,309 (1·5 ton, \$2,717).

Pig Lead.—Total, 304 tons, \$43,117 (459 tons, \$100,853): Burma, 62·3 per cent; United Kingdom, 19·7; Canada, 16·2; Belgium, 1·9. Canada supplied 50 tons valued at \$6,969 (nil). The principal users are the municipal departments, which purchase by tender.

Electric Batteries and Accumulators.—Total, 46,588 units, \$281,610 (54,356 units, \$313,837): United Kingdom, 62·3 per cent; United States, 15·6; Canada, 10·7; Germany, 7·7; Australia, 2·6. Canada supplied 4,342 units valued at \$30,229 (2,291 units, \$17,652). Any manufacturers not represented should write to this office in detail.

Electrical Apparatus (Other than Machinery).—Total, \$996,462 (\$758,951): United Kingdom, 74·7 per cent; United States, 17·6; Germany, 4·6; Canada, 3·6, represented by \$36,079 (\$23,462); Australia, 1.

Dredge Parts and Materials.—Total, \$7,660,879 (\$3,706,127): United Kingdom, 60·9 per cent; United States, 30·2; Australia, 7·7; Switzerland, 0·5. The large increase resulted from the building of two new dredges, one supplied from the United Kingdom and one from the United States. Canada has not yet appeared as a supplier, but should be able to compete on dredge buckets, wearing edges, tumbler pins, tumblers and castings.

Typewriters.—Total, 3,197 units, \$281,780 (4,341 units, \$367,895): United States, 71·2 per cent; United Kingdom, 23·5; Germany, 2·5; Switzerland, 2. Canada supplied 13 units valued at \$1,953 (284 units, \$35,735).

Silk Stockings.—Total, 16,232 dozen, \$106,630 (20,207 dozen, \$103,209): United Kingdom, 45·4 per cent; United States, 28·9; Japan, 12; Czechoslovakia, 5·6. Other supplying countries included India, China, and Canada, which supplied 198 dozen valued at \$2,108 (133 dozen, \$1,572).

Underwear of Cotton.—Total, 782,737 dozen, \$1,927,871 (931,459 dozen, \$2,328,325): Hongkong, 54·9 per cent; Japan, 23·2; China, 9·2; United Kingdom, 8·7; United States, 3·7. Canada supplied 549 dozen valued at \$7,649 (208 dozen, \$4,337). The demand is for low-priced articles. Quota regulations result in the principal supplier being Hongkong. Not over 15 per cent of the total trade is in qualities of interest to Canada.

Chemicals, N.O.P.—Total, 70,692 cwt., \$1,700,041 (84,779 cwt., \$1,176,041): United Kingdom, 52·4 per cent; Germany, 14·7; United States, 8; Australia, 4·6; Belgium, 4·1; India, 2·5; China, 2·5; Sweden, 1·8. Canada supplied 61·3 cwt. valued at \$4,734 (9·7 cwt., \$885).

Patent Medicines.—Total, \$2,924,497 (\$2,937,711): United Kingdom, 34·6 per cent; China, 20·2; Germany, 18·5; United States, 12; Australia, 5·5; Hongkong, 2·8. Supplies from Canada were valued at \$4,567 (\$6,294). Proprietary medicines are popular when supported by extensive advertising in the vernacular papers. Importers are interested in additional lines, but only when these are accompanied by advertising appropriation.

Paints and Enamels.—Total, 32,982 cwt., \$990,149 (36,076 cwt., \$1,051,485): United Kingdom, 74·9 per cent; United States, 7·2; China, 5·8; Hongkong, 4·9; Netherlands India, 3·3. Canada supplied 57 cwt. valued at \$4,888 (168 cwt., \$5,499). Imports from the United

Kingdom include specialty paints for marine and wood-preservation work. The recent opening of a modern factory in Singapore will reduce imports under this heading.

Dressed Leathers.—Total, 1,684 cwts., \$333,704 (2,464 cwts., \$528,191): British India, 18.2 per cent; United States, 18; Netherlands India, 16.8; Siam, 14; Australia, 12.6; Hungary, 6.3. Canada supplied 3.4 cwts. valued at \$1,439 (6.3 cwts., \$2,385), consisting of sample shipments of patent leather. The bends, bellies, and shoulders, patents and calf uppers included in this item are purchased on the basis of price. Canadian manufacturers have difficulty in quoting competitively against Australian bends, United States patent, and Austrian calfs.

Wrapping Paper.—Total, 3,871 tons, \$779,210 (4,334 tons, \$862,845): China, 33.8 per cent; Sweden, 16.7; Norway, 13.9; Czecho-Slovakia, 8.6; Austria, 5.9; United Kingdom, 5.5; Finland, 4.4. Canada supplied 31.7 tons valued at \$5,482 (74.5 tons, \$12,710). Imports from China represent distressed stocks from Shanghai, which are largely of Scandinavian origin.

Newsprint in Rolls.—Total, 4,815 tons, \$547,267 (not available): Norway, 53.9 per cent; Sweden, 25.4; Finland, 11.4; Austria, 3; Canada, 1.5, represented by 31.7 tons valued at \$8,640.

Newsprint in Sheets.—Total, 1,561 tons, \$216,397 (not available): Norway, 38.7 per cent; Austria, 25.4; Finland, 11.8; Germany, 8.2; Sweden, 7. Canada is not listed as a source of supply. (Information on the newsprint situation in Malaya may be obtained by writing the Department of Trade and Commerce, Ottawa.)

Other Printing Papers.—Total, 2,205 tons, \$521,794 (not available): United Kingdom, 34.3 per cent; Norway, 18.6; Germany, 8.4; Japan, 7.6; Netherlands, 5.8; Finland, 5.2. Canada supplied 5.6 tons valued at \$1,876.

Machinery Belting.—Total, 1,964 cwts., \$228,249 (4,240 cwts., \$461,512): United Kingdom, 73.2 per cent; United States, 11.1; Canada, 10; Germany, 1.8; Australia, 1.7; Japan, 1.6. Canada supplied 430 cwts. valued at \$22,740 (612 cwts., \$33,385).

Oilcloth and Linoleum.—Total, 346,525 yards, \$192,137 (484,736 yards, \$246,419): United Kingdom, 53.2 per cent; United States, 37.7; Canada, 4.3; Poland, 1.9; France, 1.6. Canada supplied 15,668 yards valued at \$8,495 (4,704 yards, \$1,437).

Cosmetics.—Total, \$874,909 (\$869,990): United Kingdom, 42.3 per cent; Hongkong, 17.2; United States, 13.5; British India, 10; China, 6.7; France, 3.8; Germany, 2.7. Imports from Canada were valued at \$3,373 (\$2,359).

Sports Equipment, N.O.P.—Total, \$159,076 (\$172,395): United Kingdom, 70 per cent; United States, 6.9; India, 5.8; China, 5.7; Japan, 2.8; Australia, 2. Supplies from Canada were valued at \$1,992 (\$767).

Commercial Motor Cars.—Total, 1,962 units, \$2,290,143 (3,939 units, \$4,106,657): Canada, 66.6 per cent; United Kingdom, 24; United States, 8.3; Germany, 1.3. Canada supplied 1,457 units valued at \$1,525,307 (2,401 units, \$2,312,637). Restricted quotas in the rubber and tin industry discouraged replacement expenditures.

Private Motor Cars.—Total, 4,344 units, \$5,570,741 (6,486 units, \$8,186,012): United Kingdom, 58.1 per cent; Canada, 29.8; United States, 6; Italy, 3; Germany, 2.6. Canada supplied 1,443 units valued at \$1,664,416 (1,146 units, \$1,457,257).

Motor Car Parts.—Total, \$1,527,596 (\$1,681,488): United States, 43.4 per cent; United Kingdom, 33.7; Canada, 13.1; Germany, 7.3; Australia, 1.9; Italy, 1.4. Imports from Canada were valued at \$196,942 (\$178,049).

Rubber Tires.—Total, 119,120 units, \$1,771,403 (145,442 units, \$2,006,966): United Kingdom, 45.9 per cent; Canada, 29.6; United States, 14.3; Netherlands India, 6.1; Czecho-Slovakia, 2.3; Germany, 1.3. Canada supplied 30,764 units valued at \$525,024 (34,477 units, \$500,049).

Motor Cycle Tires.—Total, 4,000 units, \$14,489 (3,204 units, \$12,505): United Kingdom, 52.8 per cent; Canada, 44.4; Netherlands India, 2.1. Canada supplied 1,691 units valued at \$6,403 (1,260 units, \$4,815).

Inner Tubes.—Total, 67,223 units, \$127,838 (89,051 units, \$164,696): United Kingdom, 59.1 per cent; Canada, 15.3; United States, 10.1; Netherlands India, 9.8; Czecho-Slovakia, 2.2. Canada supplied 8,226 units valued at \$19,533 (8,130 units, \$17,074).

Rubber Manufactures, N.O.P.—Total, \$281,013 (\$306,306): United Kingdom, 41.8 per cent; Germany, 27; United States, 15.6; Canada, 5.4; Japan, 4; Australia, 2.7; Czecho-Slovakia, 1.6. Imports from Canada were valued at \$15,284 (\$12,318).

Brushes, N.O.P.—Total, 32,991 dozen, \$66,327 (45,714 dozen, \$71,427): United Kingdom, 58.5 per cent; Germany, 20.9; China, 12.4; Canada, 2.9; Netherlands, 2.5. Canada supplied 441 dozen valued at \$1,967 (nil).

Gas Mantles.—Total, 5,298 gross, \$47,170 (4,840 gross, \$60,264): Germany, 59·1 per cent; China, 20; United Kingdom, 14·9; Canada, 2·9; Sweden, 2·2. Canada supplied 200 gross valued at \$1,382 (nil).

Lamps and Lanterns, not Electric.—Total, \$219,566 (\$396,945): Germany, 59·2 per cent; United Kingdom, 14·3; China, 13; United States, 7·3; Japan, 6·7; Sweden, 2·5; Canada, 2·2. Imports from Canada were valued at \$5,070 (\$1,991).

Stationery Supplies (Other than Paper).—Total, \$422,062 (\$431,174): United Kingdom, 47·9 per cent; Germany, 24; United States, 13·8; China, 5·8; Japan, 2·6; Italy, 2·2; Canada, 1·6. Canada's imports were valued at \$6,875 (\$155).

Miscellaneous Woodenware.—Total, \$415,132 (\$553,371): United States, 29·1 per cent; French Indo-China, 16·9; Hongkong, 9·9; United Kingdom, 9·1; Canada, 5; Poland, 4·9; Czecho-Slovakia, 1·4. The value of supplies from Canada was \$20,665 (\$2,140).

Nitrogenous Fertilizers.—Total, 31,157 tons, \$2,208,568 (38,151 tons, \$2,574,701): United Kingdom, 89·1 per cent; Belgium, 7·8; United States, 2·2. Other suppliers included Chile, Netherlands, Japan, and Yugoslavia. Imports from Canada were nil (942 tons, \$67,640). Fertilizer use on rubber estates is growing in importance. With the present replanting policy, which will be largely extended in January, 1940, there is an excellent demand for sulphate of ammonia.

Further information on any of the above items will be supplied to interested parties by the Canadian Trade Commissioner, Singapore, upon request.

CONDITIONS IN FINLAND IN 1938

RICHARD GREW, CANADIAN TRADE COMMISSIONER

(One Finnish mark equals 2·2 cents Canadian; one metric ton equals 2,204 pounds)

Oslo, June 30, 1939.—As the economy of Finland is dependent to a considerable extent upon exports, conditions in other markets have a strong influence on the economic development of this country. The unsatisfactory conditions which prevailed in 1938 in certain countries, particularly the United States, adversely affected certain Finnish industries.

The results of the year, on the whole, revealed tendencies of a diverging nature. On the one hand, the downward trend in the exporting industries continued, so that exports were reduced. The reduction, however, had not influenced the purchasing power of the country to any great extent by the end of the year.

Thus the good times of the past few years continued for the year under review. Nevertheless, the Stock Exchange displayed a falling tendency, and the state of the money market was characterized by decreasing activity and reduced accumulation of capital, especially towards the end of the year.

It is evident that the peak of the upward trend was passed in 1937, but the manner in which the situation will develop in the immediate future depends principally on conditions in world markets. If there is a renewed demand for timber, pulp and paper there is no doubt that the set-back which has taken place will not be of a serious nature.

PRICES

The trend of prices for the majority of the more important classes of goods was more or less downward throughout the year. In certain important instances, however, the downward trend came to a halt about the middle of the year, and prices became stabilized. In many cases the fall in prices during 1938 wiped out the rise of the previous year.

The price index for wholesale goods (1926=100) declined from 102 in December, 1937, to 97 in the following June and remained fairly stable for the last six months, the figure in December being 98. The decline in price occurred chiefly in products of Finnish industry and imported goods, the level of prices for agricultural produce remaining unchanged. The price index for imported

commodities (c.i.f.) fell considerably more than the general index, declining from 104 to 93, or approximately 11 per cent. The heaviest declines were: grain, 25 per cent; hides and coal, 21; spinning materials and oils, 16; metal goods, 10; and textiles, 9 per cent.

There was an even more pronounced decline in f.o.b. prices of export commodities, from 111 to 91 or about 20 per cent. The price of hides fell 33 per cent, while the prices of pulp and paper products declined 24 per cent and of timber 15 per cent. Prices for animal foodstuffs remained more or less unchanged.

Prices in the domestic market, as has been generally the case, remained the steadiest, declining only 4 per cent, from 102 to 98. A decline of 7 per cent occurred in hides, metal goods, coal and textiles of foreign origin, and also in leather goods and textiles of Finnish origin. Prices for Finnish grain declined 11 per cent. Prices rose for Finnish foodstuffs obtained from animals and for some other agricultural produce, and the average price level for Finnish agricultural produce advanced somewhat.

The cost of living index (1935=100), which only began to rise at the end of 1937, was at a higher level for the greater part of the year than during 1937, but in December, 1938, stood at 109, which was the same figure as twelve months earlier.

MONEY MARKET

As in the previous year, the money market remained easy during 1938. For the first half of the year there was an abundant accumulation of capital in the banks and savings funds, and credit was being freely extended. During the latter half, however, money was less abundant and deposits decreased. The credits granted by the joint-stock banks also fell, indicating a decline in economic activity. On the other hand, the demand for loans from savings banks increased, so that the large cash balances in these banks were able to find investment.

Deposits in financial institutions increased during the year by 1,700 million marks to about 20,000 million marks. About half the increase applied to savings banks and 725 million marks to joint-stock banks.

Total credits granted by joint-stock banks rose from 8,608 million marks at the end of 1937 to 9,212 million marks at the end of 1938, an increase of 604 million marks. The increase in 1937 over the previous year amounted to 1,235 million marks. As the volume of deposits rose slightly and the joint-stock banks had an abundant supply of cash, no difficulty was experienced in satisfying the demands for credit. The surplus of deposits was unusually large, rising from 1,421 million marks at the beginning of 1938 to 1,951 million marks at the end of August, then declining to 1,542 million marks at the year end.

FOREIGN EXCHANGE

The foreign payment position of the joint-stock banks was favourable during 1938. Their foreign balances increased during the year from 364 to 454 million marks, while their foreign indebtedness rose from 271 to 309 million marks. In consequence their net foreign balances increased from 93 to 145 million marks. The foreign balances of the National Bank were also at a high level during the whole of the year, the net foreign balances of all banks increasing from 2,122 to 2,436 million marks.

STOCK EXCHANGE

The stock exchange was quiet throughout 1938 as compared with the two previous years. The value of transactions amounted to 222 million marks as against 588 and 436 million marks respectively for 1937 and 1936. Quotations did not fall proportionately, although they were lower than in 1937. The index

for prices of shares (1935=100) averaged 131 as compared with 146 for 1937 and 119 for 1936. There were various fluctuations in the index, which stood at 129 in December as against 134 for December, 1937. There were fewer issues of new shares, and fewer new companies formed.

INDUSTRY

Conditions in industry during the year varied considerably according to the type of industry. While generally satisfactory in industries supplying the home market—in some branches even better than in previous years—the situation as regards the exporting industries deteriorated in a pronounced manner. The volume of production in these industries declined appreciably, while the value of the output decreased still more.

To what extent the fall in prices during 1938 influenced the actual sales value of the goods produced during the same period can only be established at the end of 1939 when the official statistics of industry are available. Meanwhile, the value of production can only be estimated on the basis of quoted prices. On this basis, the total value of industrial production in 1938 is estimated at between 18,000 and 19,000 million marks, which is more than 2,000 million marks lower than the value of production in the peak year of 1937. This estimate, however, is appreciably higher than the total value for other previous years. In 1936 industrial production was 16,100 million marks, and the average for the previous five years was 11,300 million marks.

Despite the definite set-back which occurred in 1938, particularly in the larger industries, the total output during the year continued to be relatively high. This is shown in the following table which gives the indices of volume and value of industrial production for the years 1931 to 1938 inclusive:—

	Volume Value 1926=100			Volume Value 1926=100	
1931..	96	80	1935..	150	127
1932..	100	84	1936..	165	147
1933..	115	97	1937..	186	200
1934..	140	120	1938..	183	177

From the above table it will be seen that the volume of production was maintained at almost the same level as in 1937, while the value decreased by about 10 per cent.

DOMESTIC INDUSTRIES

Industrial production for the home market on the whole continued satisfactory throughout the year, and it is calculated that its total value exceeded the high figure of 1937 by several hundred million marks.

The following table gives the indices for volume and value of industrial production for the home market in the four years 1931 to 1938:—

	Volume Value 1926=100			Volume Value 1926=100	
1935..	147	137	1937..	191	198
1936..	165	156	1938..	200	204

The increase in the volume of production was largest in the building industries, which registered a gain of 12 per cent. Next in order were increases of 7 per cent in both the foodstuffs and luxury industries. The metal and machinery industries each advanced by 4 per cent. It is calculated that the increase in the value of production in these industries amounted to 700 million marks. Declines occurred in the leather and footwear industry and in the textile industry; by 14 per cent (about 180 million marks) in the former, and 4 per cent (about 220 million marks) in the latter.

EXPORTING INDUSTRIES

The volume of production in the exporting industries declined by about 10 per cent during the year, but the value fell nearly 30 per cent. The following table shows the indices for volume and value of industrial production in the four years 1935 to 1938:—

	Volume 1926=100	Value 1926=100		Volume 1926=100	Value 1926=100
1935.	148	109	1937.	181	204
1936.	164	137	1938.	162	144

The most noteworthy falling-off was in saw-milling. During the first quarter of the year the quantities sawn were fairly satisfactory, but during the second, and particularly the third, quarter the quantity was greatly restricted. Some improvement occurred in the final quarter of the year. The total quantity sawn is estimated at about 1,600,000 standards (one standard equals 1,980 feet b.m.) or about 300,000 less than the previous year. Exports amounted to 865,000 standards, which is a reduction of 160,000 standards as compared with 1937. Prices also fell from an average of 2,690 marks per shipped standard in 1937 to an average of 2,430 marks for the past year. As a result, a decline of 20 per cent at least in the volume of production and 10 per cent in price per unit was recorded for 1938 in the sawmill industry, which is the largest and, in the social sense, the most important industry of the country.

PULP AND PAPER

The decline in the pulp and paper industries was not so severe, volume being about 4 per cent lower and value 20 per cent on the average. As the greater part of the 1938 deliveries were on contracts made when prices were at a higher level, the full effect of the fall in prices was not felt. The output of sulphite pulp was reduced, partly voluntarily, from 1,043,000 tons to 953,000 tons, while the output of sulphate pulp increased from 438,000 tons to 490,000 tons. Exports of sulphite pulp decreased by 154,000 tons to 670,000 tons and those of sulphate by 2,000 tons to 352,000 tons.

Total exports of chemical pulp were 1,022,000 tons, while orders in hand were reduced by 582,000 tons to 1,350,000 tons or to about the normal output for one year. In the case of mechanical pulp, the production was reduced by 54,000 tons to 265,000 tons and exports declined by 66,000 tons to 225,000 tons. Orders in hand for mechanical pulp declined by 139,000 tons to 201,000 tons. The average price for shipments during 1938, for the most part contracted earlier, was slightly higher than in 1937.

The production of paper was reduced by 35,000 tons to 587,000 tons, partly by international agreement, while paper exports decreased by 54,000 tons to 464,000 tons. Orders in hand, however, increased by 52,000 tons to 571,000 tons. The position as regards newsprint was more favourable than for other kinds of paper. Production remained at the same level as in the previous year, the average price for export rose slightly, and orders in hand were also somewhat larger. No great change occurred in the plywood industry, but the tendency was downward.

Building operations continued very active. Sales of cement increased from an index level of 246 in 1936 to 269 in 1938 (1926=100). In Helsingfors, the capital, a considerable impetus was given to the building industry by the forthcoming Olympic Games in the summer of 1940, and continued activity in this line seems likely.

AGRICULTURE

Throughout the greater part of the country the harvest in 1938 was satisfactory. The autumn sowings did not stand the winter too well, their yield

being less than in the previous year, but the crop of spring sowings and hay was better than in 1937. According to preliminary estimates the harvest amounted to 4,160 in fodder units, which is the greatest on record and 7 per cent higher than the previous record year of 1937. Prices for agricultural produce were slightly higher on an average than the year before, but a falling tendency was noticeable, particularly as regards grain, towards the year's end. Prices for agricultural requirements remained at about the same level as the previous year.

As the agricultural population derive a considerable income from forest operations and the sale of timber, the situation in the timber and pulp and paper industries has an important effect on their economic well-being. As prices for timber and for products of the pulp and paper industries have fallen in world markets, and the demand has also declined, lumber operations will be greatly restricted during the current season. This is bound to reduce the purchasing power of the rural population as well as its demands and investment capacity, with consequent effects on other branches of trade.

EMPLOYMENT

In general the condition of the labour market was satisfactory. The decline in the exporting industries caused actual factory work to be restricted in many cases, but there was frequent temporary work for industrial labour. In the autumn the number of unemployed registered at the labour exchanges increased, the number by the end of November being 5,200 as compared with 3,900 twelve months earlier.

NETHERLANDS COMMODITY MARKETS IN 1938

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

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(One florin or guilder equals \$0.53½ approximately at current rate of exchange; one metric ton equals 2,205 pounds; one metre equals 39.37 inches; one cubic metre equals 35.314 cubic feet.)

AGRICULTURAL IMPLEMENTS

In this division there were 20 binders (fl.11,360) imported into the Netherlands from Canada in 1938 and additional miscellaneous machines and parts to the value of fl.11,459.

The Netherlands does not manufacture the large type of harvesting machinery, although there is some production of ordinary agricultural implements for tilling purposes. Imports for local needs are therefore necessary.

PLOUGHS AND HARROWS

Arrivals of ploughs and harrows of the horse-drawn type declined to 10,083 machines and parts valued at fl.383,000. Germany was the main supplier, shipping 7,630 machines and parts (fl.240,000), followed by Belgium with 1,619 units (fl.102,000). On the other hand, tractor ploughs and harrows rose to 482 machines (fl.131,000), principally from Germany, 167 (fl.62,000), and the United States, 116 (fl.28,000).

SEEDERS

Incoming shipments fell off to 765 machines which, including arrivals of accessories were valued at fl.123,000. Germany and Czecho-Slovakia forwarded the bulk of these.

BINDERS

Imports under this heading declined to 545 machines (fl.277,000), including parts. Germany supplied 425 binders, Sweden 40, and Canada, in third place, 20 machines plus parts (fl.11,360).

MOWERS

There were fewer mowers imported in 1938, the totals being 5,067 machines (fl.846,000). Germany was again the principal source of supply with 3,744 machines (fl.627,000), followed by Sweden with 707 units (fl.94,000) and France with 251 (fl.36,000). Russia accounted for 138 mowers (fl.11,000), the United States for 81 (fl.36,000), and Great Britain for 40 (fl.25,000).

HAY RAKES AND TEDDERS

There was an advance in imports to 2,398 machines (fl.308,000), Great Britain supplying 964, France 854, and Germany 455.

THRESHERS

Imports decreased, amounting to 298 machines (fl.232,000) in 1938. Germany supplied 90 per cent or 261 machines.

TOOLS AND IMPLEMENTS

As this is an agricultural country, there is a considerable demand for tools and various appliances for farm use. Arrivals were chiefly from Germany, with lesser but important quantities from Great Britain, Belgium, the United States, France, and Sweden. During the year under review there were some small imports from Canada of garden and hand tools valued at fl.1,200.

OFFICE MACHINERY

In 1938 a total of 19,000 typewriters, which together with parts accounted for fl.1,392,000, were brought into Holland. The United States supplied 8,534 machines, Germany 7,362, and Switzerland 2,239. There were smaller arrivals from other countries, Canada being credited with 184 machines (fl.22,737).

Calculating machines were imported to the value of fl.788,000, of which the United States is credited with fl.579,000.

Bookkeeping machines and cash registers also came principally from the United States.

LAMPS, EXCEPT ELECTRICAL

These include petroleum, gas, and acetylene lamps, imports being valued at fl.1,670,000. Germany is the principal supplier. Canada sent one ton of lamps valued at fl.2,798.

RUBBER GOODS OTHER THAN TIRES AND TUBES

There is a fair market here for different rubber specialties and moulded goods. In 1938 Canada supplied some of these, as well as household and surgeons' gloves. The Rotterdam office has received agency inquiries for further representations in these lines.

Total arrivals from the Dominion of the above-mentioned merchandise were valued at fl.20,750. There were additional imports of rubber belting (fl.2,795) and of other vulcanized rubber (fl.2,952).

Total rubber belting imports were valued at fl.700,000, of which Great Britain is credited with fl.455,000.

Arrivals of rubber soles, heels, and tips were valued at fl.331,000, Belgium and Germany being the chief sources of supply.

Imports of miscellaneous articles of rubber had a total value of fl.1,546,000 in the year under review.

BRUSHES

These came in to the value of fl.466,000, plus an additional fl.62,000 for paint brushes. Germany supplied almost half, with considerable quantities coming from Japan. Canadian shaving and paint brushes do not appear to be competitive in this market.

TOYS

Arrivals of toys totalled 4,210 tons (fl.2,861,000), mostly originating in Germany, with lesser but sizeable shipments from Japan and Czecho-Slovakia.

There are some imports of Canadian dolls, but totals are not specifically stated.

FOUNTAIN PENS

Fountain pens are chiefly imported from Great Britain, which supplied to a value of fl.149,000 out of a total of fl.287,000. Germany was credited with fl.64,000 and the United States with fl.50,000. Some Canadian pens are imported, but principally through the English branches of firms in the Dominion.

RAZOR BLADES

Arrivals of razor blades were valued at fl.488,000, mainly from Germany (fl.358,000) and Great Britain (fl.104,000).

UNFRAMED PAINTINGS, WATER COLOURS, AND ETCHINGS

Total imports were valued at fl.4,291,000, of which Canada is credited with fl.32,000.

SPORTS GOODS

There is a limited market for Canadian sports articles, chiefly ice skates and hockey sticks. Several inquiries for roller skates have been received in the price range of \$0.60 to \$1.50 per pair c.i.f. Rotterdam; interested exporters are invited to communicate with the Rotterdam office.

Imports of skates in 1938 amounted to 10 tons (fl.36,000), of which Germany supplied 7 tons (fl.25,000), the United States $1\frac{1}{2}$ ton (fl.5,467), and Belgium $\frac{1}{2}$ ton (fl.2,816). Canada is not separately mentioned, although in 1937 arrivals from the Dominion were valued at fl.1,215. The popularity of ice hockey has increased tremendously, and during the past winter matches at The Hague and Amsterdam were well patronized. The tentative plans for a rink at Rotterdam have not yet been put into effect, although the matter is still under consideration.

Canadian-made ankle and other supports have been offered on this market, but their sale is small. A shipment of baseball bats has been received. This is an unknown sport in Holland, but steps are being taken to organize one or two teams during the forthcoming summer, and it is hoped to attract public attention to the game.

The Rotterdam office is only too pleased to receive inquiries from Canadian firms regarding the Netherlands market for products mentioned in this report in which they feel they can compete. In communicating with this office, exporters are requested to forward c.i.f. Netherlands port prices accompanied by samples if possible, or if not, by illustrated brochures showing the articles offered. On receipt of these particulars, an investigation will be made and a detailed report sent to the Canadian exporter.

FOREIGN TRADE OF JAPAN, JANUARY TO MARCH

C. M. CROFT, COMMERCIAL SECRETARY

(One yen equals approximately 27.5 cents Canadian as against 29 cents for the 1938 period)

Tokyo, June 1, 1939.—Statistics lately issued show that the total value of the trade of the Japanese Empire (including Chosen, Taiwan, and Nanyo) during the first three months of 1939 amounted to 1,448,615,788 yen, comprising imports to the value of 757,805,890 yen and exports of 690,809,898 yen, leaving an excess of imports over exports of 66,995,992 yen. Comparative figures for the first three months of 1938 were: total trade, 1,276,728,136 yen; imports, 671,309,168 yen; exports, 605,418,968 yen; and excess of imports over exports, 65,890,200.

In the following report the statistics quoted are those for Japan proper and not the Japanese Empire. The total trade during the first three months of 1939 was valued at 1,323,536,985 yen, of which imports accounted for 699,542,027 yen and exports for 623,994,958 yen. The excess of visible imports over visible exports was 75,547,069 yen. A comparison with the corresponding three months of 1938 shows that both imports and exports increased in the period under review. Imports were 12.1 per cent greater, while exports showed an increase of 9.5 per cent. Although the excess of imports over exports during the first quarter of 1939 was greater than that for the three months of 1938, it was much less than for the first quarter of 1937, when it was nearly 306 million yen.

In any consideration of Japan's trading position attention must be given to her trade with the so-called "yen bloc" countries, namely China, Kwantung Province, and Manchuria. During the first quarter of 1939 exports to those countries amounted to 287,616,398 yen, which was approximately 46.1 per cent of the total exports. The value of exports to "yen bloc" countries during the first three months of 1938 was 220,545,274 yen or 38.8 per cent of the total. Imports from those countries during the first quarter of this year amounted to 164,041,275 yen as compared with 145,956,395 yen for the corresponding period of 1938. In each case the imports from the "yen bloc" countries was about 23.5 per cent of the total.

DISTRIBUTION OF EXPORTS

Exports to Asiatic countries were valued at 408,061,392 yen as compared with 333,320,624 yen during the corresponding three months of 1938. This is the outstanding increase in exports and is accounted for largely by expanded trade with the "yen bloc" countries, although other countries in Asia, particularly British India and the Netherlands Indies, showed increased purchases.

Exports to countries in North America were valued at 93,134,088 yen as compared with 90,310,168 yen during the first quarter of 1938. Shipments to Europe were valued at 54,064,185 yen as against 62,417,460 yen for the corresponding period of the previous year. Australia, New Zealand, Hawaii, and other countries in Oceania took Japan's exports to the value of 19,158,914 yen as compared with 23,438,722 yen. Exports to South American countries were valued at 9,434,047 yen as compared with 20,421,486 yen in the first quarter of 1938. Purchases by countries in Central America during the three months amounted to 7,837,845 yen as against 7,290,743 yen in the corresponding period of 1938.

The following table shows the values of the exports to the twenty largest purchasers of Japanese goods during the three months ended March 31, 1939,

corresponding figures for the 1938 period being also given for purposes of comparison:—

Japan's Exports by Principal Countries

	Jan.-Mar., 1939 Yen	Jan.-Mar., 1938 Yen	Increase+ or Decrease— Per Cent
Kwantung Province	(1) 131,069,307	(1) 99,477,299	+ 31.7
United States	(2) 90,347,475	(2) 86,816,211	+ 4.0
China	(3) 83,326,247	(4) 52,650,520	+ 58.2
Manchukuo	(4) 73,220,844	(3) 68,417,455	+ 7.0
British India	(5) 49,055,385	(5) 43,110,213	+ 13.8
Great Britain	(6) 23,642,762	(6) 30,687,651	— 22.9
Netherlands Indies	(7) 22,741,203	(7) 18,900,293	+ 20.3
Australia	(8) 13,827,954	(8) 16,491,046	— 16.1
Germany	(9) 9,282,956	(13) 7,153,033	+ 29.7
South Africa	(10) 8,450,347	(10) 8,944,953	— 5.5
Siam	(11) 7,791,055	(14) 6,753,049	+ 15.3
France	(12) 7,123,847	(11) 8,326,224	— 14.4
Hongkong	(13) 6,279,042	(20) 3,770,661	+ 66.5
Kenya, Uganda and Tanganyika	(14) 6,024,968	(19) 4,128,535	+ 45.9
Philippine Islands	(15) 5,182,431	(9) 10,433,638	— 50.3
Burma	(16) 5,069,484	(16) 4,265,603	+ 18.8
Iraq	(17) 4,881,920	(15) 5,271,252	— 7.4
Syria	(18) 3,980,063	(27) 2,623,043	+ 51.7
Straits Settlements	(19) 3,430,455	(18) 4,133,430	— 19.4
Egypt	(20) 3,427,112	(17) 4,265,531	— 19.6

PRINCIPAL EXPORTS

Tissues of various kinds constituted by far the largest group of exports. The largest item was, as usual, cotton tissues, which were exported to the extent of 539,932,291 square yards (85,809,012 yen); comparative figures for the first quarter of 1938 were 576,959,163 square yards (118,408,828 yen). Exports of grey cotton tissues were 210,788,256 square yards (27,079,195 yen) as against 201,632,810 square yards (34,498,624 yen) in the first quarter of 1938. Shipments of bleached cotton tissues amounted to 104,721,587 square yards (16,273,263 yen) as against 137,871,585 square yards (25,734,718 yen) in the 1938 quarter. Exports of "other" cotton tissues totalled 224,422,448 square yards (42,456,554 yen) as compared with 237,454,818 square yards (58,175,486 yen) in the first quarter of 1938. Under the system in force of "linking" imports of raw cotton to exports of cotton manufactures the cotton goods must be exported within a definite time after the raw cotton has been imported; this has had a tendency to expand shipments of grey tissues at the expense of other classes, as the grey tissues can be manufactured more quickly than other kinds.

A feature of the quarter's trade in cotton tissues is the very sharp drop in the exports to China, Kwantung Province, and Manchukuo. On the other hand, exports of grey cotton tissues to many other important markets expanded considerably. British India purchased over 91 million square yards (10,008,477 yen) as compared with 59 million square yards (7,466,194 yen); Netherlands Indies, 1,857,121 yen (1,380,553 yen in 1938); Australia, 1,733,994 yen (1,629,931 yen); Anglo-Egyptian Sudan, 1,614,524 yen (1,467,908 yen); Kenya, Uganda, and Tanganyika, 1,465,493 yen (791,931 yen); and Aden, 1,095,929 yen (753,980 yen). Great Britain's purchases amounted to 258,992 yen (718,511 yen in 1938).

The exports of artificial silk tissues during the quarter under review amounted to 65,623,686 square yards (26,421,091 yen) as against 89,644,545 square yards (27,092,994 yen) in the 1938 quarter. Shipments were largely to Kwantung Province, Manchukuo, British India, Australia, China, and Netherlands Indies. The exports of pure silk tissues totalled 16,346,562 square yards (10,056,943 yen) as compared with 22,782,983 square yards (12,955,963 yen) in the first quarter of 1938. The largest purchasers of silk tissues were Great Britain, British India, and the United States.

Raw silk is Japan's second largest item of export. Shipments during the first three months of 1939 amounted to 10,206,636 pounds (71,460,885 yen) as compared with 13,012,020 pounds (75,242,417 yen) for the first quarter of 1938. Thus the quantity exported showed a decrease of approximately 21.3 per cent, while the value declined 5 per cent only.

Artificial silk to the value of 5,001,883 yen was exported during the quarter as compared with 4,798,728 yen during the corresponding period of 1938.

IMPORTS BY COUNTRIES

Asiatic countries supplied imports to the value of 278,605,870 yen as compared with 257,829,735 yen for the first quarter of 1938. Purchases from North America totalled 273,652,785 yen, as against 206,726,973 yen. European countries supplied goods valued at 81,917,459 yen as compared with 110,417,511 yen. Imports from Oceania amounted to 25,100,141 yen as against 19,684,322 yen. Imports from South America showed expansion, being valued at 22,838,897 yen for the period under review as compared with 12,649,356 yen. Countries in Africa shared in the import trade to the extent of 16,649,670 yen as against 14,162,496 yen. Imports from Central America dropped to 777,205 yen from 2,655,577 yen for the first quarter of 1938.

It will be noted that imports have shown a rising tendency as compared with the first three months of 1938. It will, however, be recalled that imports during 1938 were somewhat below normal and certainly well below those for 1937. The increase in purchases during the period under review follows a shortage in the supplies of essential raw materials, with the resultant need for larger imports, particularly of those items which are required for the making of export goods and for munitions.

The following table shows the values of imports from the largest suppliers, comparative values for the first quarter of 1938 being also shown:—

Japan's Imports by Principal Countries

	Jan.-Mar., 1939 Yen	Jan.-Mar., 1938 Yen	Increase+ or Decrease— Per Cent
United States	(1) 246,744,254	(1) 183,480,827	+ 34.4
Manchukuo	(2) 104,649,407	(2) 103,939,601	+ 0.6
British India	(3) 45,560,272	(4) 39,583,453	+ 15.1
China	(4) 44,595,004	(6) 27,663,184	+ 61.2
Germany	(5) 29,791,675	(3) 49,880,915	— 40.2
Canada	(6) 26,905,216	(8) 23,245,140	+ 15.7
Australia	(7) 22,534,491	(9) 16,209,800	+ 39.0
Netherlands Indies	(8) 19,428,653	(5) 29,661,929	— 34.5
Kwantung Province	(9) 14,796,864	(11) 14,353,610	+ 3.1
Philippine Islands	(10) 11,616,911	(14) 8,341,484	+ 39.2
Egypt	(11) 11,446,104	(12) 9,390,411	+ 21.9
British Malaya	(12) 10,168,746	(22) 3,762,739	+170.2
Brazil	(13) 9,807,319	(24) 2,450,246	+300.2
Straits Settlements	(14) 9,785,439	(10) 15,305,292	— 36.0
Norway	(15) 9,650,659	(18) 4,592,855	+110.1
Sweden	(16) 7,448,417	(13) 8,699,758	— 14.4
Great Britain	(17) 7,019,786	(7) 24,157,202	— 70.9
Switzerland	(18) 6,941,470	(21) 3,959,462	+ 75.3
French Indo-China	(19) 6,072,259	(16) 5,318,409	+ 14.1
Argentina	(20) 5,145,424	(15) 6,483,805	— 20.6

From the above table it is noted that imports from fourteen of the twenty suppliers increased as compared with figures for the 1938 quarter. Purchases from Canada showed an increase of 15.7 per cent. Noteworthy among countries showing decreases were Great Britain, Germany, and the Netherlands Indies.

IMPORTS BY CLASSES

The imports of articles classed as raw materials were valued at 318,643,000 yen (257,998,000 yen for the 1938 quarter). Purchases of "manufactures for

further use in manufacturing" amounted to 217,245,000 yen (178,567,000 yen during the relative period of 1938). Thus imports of raw and semi-raw materials amounted to about 76·7 per cent of the total value. Imports of articles of food, drink and tobacco in their natural state were valued at 52,965,000 yen, while similar articles partially or wholly prepared were purchased to the extent of 61,392,000 yen. Imports of articles wholly manufactured were valued at 97,844,000 yen.

IMPORTS BY COMMODITIES

It is not possible to make a comprehensive survey of the imports of all commodities, as full statistics showing the items and sources of supply have not been issued. For example, the imports of ores and metals during the quarter under review were valued at 194,306,756 yen (151,594,245 yen in the first quarter of 1938), but no details of the kinds of ores and metals or of countries of origin are available. This group was the largest for the period under review.

Cellulose pulp imports were valued at 26,330,239 yen (20,142,077 yen). The principal suppliers were the United States with 12,159,573 yen (8,722,705 yen); Norway, 5,504,811 yen (3,024,102 yen); Sweden, 2,735,764 yen (3,956,162 yen); and Finland, 2,735,116 yen (1,915,220 yen). Canada's share was only 115,095 yen as against 1,949,668 yen for the 1938 quarter. It should be explained that most of the pulp imported was for rayon making, and permits for imports were issued on the basis of existing contracts and previous business. As Canada only recently came into the rayon pulp market on a large scale, there was no record of large orders, and no officially recognized contracts outstanding, with the result that Canadian trade in this item has suffered.

The value of the hides and skins purchased during the quarter was 10,869,894 yen (7,596,943 yen in the 1938 period). The largest supplier was China with 6,849,490 yen (841,711 yen). The United States' share was 1,555,640 yen (2,097,924 yen), and that of Argentina totalled 1,256,683 yen (2,472,479 yen).

Imports of wood which includes logs, cants and lumber, were valued at 6,444,864 yen as against 5,981,074 yen for the first quarter of 1938. The principal countries of origin were the Philippine Islands with 2,079,531 yen (1,496,670 yen); the United States, 1,484,589 yen (2,176,909 yen); Netherlands Indies, 1,043,788 yen (357,762 yen); and Canada, 682,497 yen (439,694 yen).

Fresh beef imports were valued at 1,221,415 yen (1,515,895 yen). The principal countries of origin were: China, 681,277 yen (424,087 yen); Manchukuo, 167,026 yen (116,197 yen); and Kwantung Province, 109,433 yen (170,978 yen).

SUMMARY OF THE FOREIGN TRADE OF JAPAN

The following table summarizes the foreign trade of Japan for the first three months of 1939, comparative figures for the first quarter of 1938 being also shown:—

	Jan.-Mar., 1939 Yen	Jan.-Mar., 1938 Yen	Increase+ or Decrease— Per Cent
Imports..	699,542,027	624,125,970	+ 12.1
Exports..	623,994,958	569,763,091	+ 9.5
Total trade	1,323,536,985	1,193,889,061	+ 10.9
Excess of imports.. . . .	75,547,069	54,362,879	+ 38.9

TRADE WITH CANADA

For the three months ended March 31, 1939, Japan's exports to Canada were valued at 2,781,281 yen as compared with 3,481,003 yen for the first three months of 1938. Imports from Canada during the period under review were valued at 26,905,216 yen as against 23,245,140 yen for the corresponding three

months of 1938. Thus imports from Canada showed an increase of 15.7 per cent, while exports thereto decreased by 20.1 per cent.

With respect to the balance of trade with Canada during the quarter ended March 31, 1939, imports from Canada exceeded exports thereto by 24,123,935 yen as compared with an excess of imports in the first quarter of 1938 of 19,764,137 yen.

EXPORTS TO CANADA

Probably the outstanding feature of Japan's exports to Canada during the first quarter of 1939 is the absence of any direct shipments of raw silk. Canada buys most of her requirements of raw silk in the United States, but almost invariably there are direct purchases; for example in the first quarter of 1938 the direct shipments from Japan were valued (according to Japanese statistics) at 95,800 yen. In order to obtain a true picture of the silk trade it is necessary to refer to the statistics of imports into Canada as compiled by the Dominion Bureau of Statistics. According to these returns the total imports into Canada of "silk cocoons, raw silk, not more advanced than singles, not to include material wholly or partly degummed" during the three months ended March 31, 1939, amounted to 651,225 pounds valued at \$1,324,475 as compared with 670,833 pounds to the value of \$1,131,056 during the corresponding period of 1938. Most of this silk is of Japanese origin.

The largest item in the statistics of Japan's exports to Canada for the quarter is pottery valued at 242,572 yen as against 240,844 yen.

Artificial silk tissues were exported to the Dominion to the value of 152,359 yen as compared with 336,471 yen. Toys were the next largest item of export to Canada, the value being 125,006 yen as against 267,446 yen.

Other important items exported to Canada during the quarter were the following, values for the first three months of 1938 being shown within parentheses: rice and paddy, 87,910 yen (153,025 yen); silk tissues, 60,081 yen (67,180 yen); lamps and parts, 56,421 yen (75,008 yen); tea, 47,764 yen (36,750 yen); buttons, 37,236 yen (30,149 yen); silk handkerchiefs, 25,314 yen (22,902 yen); brushes, 17,195 yen (33,307 yen); and menthol crystals, 2,460 yen (24,938 yen).

IMPORTS FROM CANADA

It is not possible to review at length or in a comprehensive manner the import trade from Canada, as statistics covering the imports of the most important group of commodities in Canada's trade with Japan, namely ores and metals, are not now issued in Japan. Consequently Canada's position as a supplier of such items as nickel, lead, aluminium, zinc, copper, and asbestos in relation to other supplying countries cannot be shown.

The returns of the Dominion Bureau of Statistics show exports from Canada to Japan of these commodities during the three months ended March 31, 1939, as follows, corresponding values for the 1938 quarter being shown within parentheses: nickel, \$1,959,230 (\$2,435,440); lead, \$655,715 (\$57,701); aluminium, \$2,351,255 (\$1,865,043); zinc, \$318,957 (\$363,812); and asbestos, \$365,924 (\$260,999).

The value of imports of wood, including both logs and lumber, from Canada showed some expansion to 682,497 yen for the quarter as compared with 439,694 yen for the first three months of 1938. However, the level of importations is still much below that of 1937 when the value for the first quarter was 3,316,549 yen. Under existing circumstances Japan's purchases of logs and lumber are restricted to those kinds and quantities which are urgently required. An association has been formed consisting of some sixty-three firms who have been regular importers of wood in the past. Permits to import are issued only to the association, whose responsibility it is to recommend permits for those imports

which are really needed. The association has elected a committee of four firms to attend to the actual purchasing and importation of wood. The purchase of pulpwood does not come within the scope of the association.

Cellulose pulp was imported from Canada to the value of 115,095 yen during the three months as compared with 1,949,668 yen for the corresponding three months of 1938. As mentioned previously in this report, the imports of pulp this year have been largely for rayon manufacture, and permits were issued on the basis of previous years business in conjunction with existing contracts. In past years, however, Canada did not supply any large quantities of rayon pulp, nor were there any outstanding contracts which were recognized as such by the authorities in Japan. It is understood that the balance of the contracts for 1938 delivery have now been cancelled, and therefore Canada should have an excellent opportunity of obtaining business if and when Japan is again in the market for rayon pulp.

Prospects for the trade in pulp for paper making is by no means bright, as the efforts which are being made to attain self-sufficiency in pulp and paper are meeting with a considerable degree of success; during the quarter under review the total imports of paper pulp amounted to 16,202,736 pounds as against 40,608,348 pounds for the first three months of 1938.

Canada supplied no printing paper during the period under review, although imports in the first quarter of 1938 were to the value of 284,530 yen. The total imports of printing paper during the first three months of this year were valued at only 3,872 yen, of which the United States is credited with 3,793 yen and Switzerland with 79 yen. Prospects for increased trade in this item in the immediate future are also very poor; local production has increased and the domestic demand has dropped, due to a reduction in the quantity of printing paper which is being used for newspapers and magazines.

Japan's wheat imports have been reduced to a minimum, the total value of imports during the quarter being only 151,255 yen as against 2,724,235 yen for the first quarter of 1938 and 11,222,436 yen for the first three months of 1937. Canada's share of the 1939 trade was only 99 yen, the principal supplier being China with 96,386 yen. No purchases from Australia, Argentina or the United States are recorded, while "other" countries are credited with 54,770 yen; it is understood that this wheat came largely from Iraq. Local wheat is selling at prices higher than current Canadian quotations, but the grain merchants have not been able to obtain any exchange permits to buy from Canada. It is expected that this situation will continue for some time.

SUMMARY OF CANADIAN TRADE

The following table summarizes Japan's imports from and exports to Canada during the three months ended March 31, 1939, as compared with the corresponding period of 1938:—

	Jan.-Mar., 1939 Yen	Jan.-Mar., 1938 Yen	Increase+ or Decrease— Per Cent
Imports from Canada	26,905,216	23,245,140	+ 15.7
Exports to Canada	2,781,281	3,481,003	— 20.1
Total trade	29,686,497	26,726,143	+ 11.0
Excess of imports	24,123,935	19,764,137	+ 22.0

TRADE PROSPECTS

The policy of the Japanese Government is, speaking generally, to permit the importation of those goods which are classed as essential for important industries and raw materials for export goods. This policy is based on the necessity to conserve so far as possible foreign exchange, and it must be anticipated that imports will be rigidly controlled by means of the import control legislation

or the Foreign Exchange Control Law, at least until the conclusion of hostilities in China. Consequently Canadian exporters of goods which do not come into the class of essential and urgently needed commodities may expect little if any business in the meantime. Every effort is being made to increase the export trade of Japan, and as exports expand with resultant increased foreign credits, permits to import will be more readily granted.

NEW ZEALAND EXCHANGE REGULATIONS

Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, cabled under date July 27 as follows:—

Under the new regulations now in force, importers holding licences to import goods to a value in excess of £100 must apply to the Reserve Bank for permission to remit the necessary funds overseas. They are required to list their monthly requirements of foreign exchange and to declare the total quantity of goods in store, including goods in transit. Permits to transfer payment will be limited in accordance with the amount of foreign exchange available. This system of control and supervision should decrease the possibility of delay in payment."

TARIFF CHANGES AND CUSTOMS REGULATIONS

New Zealand

TARIFF DECISIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Wallpaper pasting and trimming machines, 20 per cent ad valorem under British preferential tariff, 30 per cent ad valorem if from Canada, 50 per cent ad valorem plus 22½ per cent of duty under general tariff (item 353-6-b).

Brush backs of wood, bored, whether or not covered with metal, 25 per cent ad valorem under British preferential tariff, 25 per cent ad valorem plus 22½ per cent duty if from Canada, 50 per cent ad valorem plus 22½ per cent of duty under general tariff (item 419-2).

The following articles for use only for specified manufacturing purposes are free of ordinary duty (but 3 per cent ad valorem primage duty) from all countries: "teddy bear cloth" (a woollen moquette) for the manufacture of slippers; straps for umbrella handles; leatherette cloth, rucked or quilted, whether or not backed with other material, for the manufacture of boots and shoes (item 448).

Motifs, being lace or similar decorations for night-dresses or underclothing; night-dress and slip tops being lace trimmings only—20 per cent ad valorem under British preferential tariff, 20 per cent ad valorem plus 22½ per cent of duty if from Canada, 45 per cent ad valorem plus 22½ per cent of duty under general tariff (item 161).

Imports into New Zealand are at present regulated by licences issued by the New Zealand Department of Customs to importers.

France

CERTIFICATE REQUIRED FOR FROZEN SALMON

Mr. Hercule Barré, Commercial Attaché in Paris, writes that under a French decree of June 23, 1939, published in the *Journal Officiel* of July 17, a certificate of fishing is required for frozen salmon exported to France. This certificate must be attached to each fish during the closed season for salmon in France (from October 1 to January 15). It must be written in English and

French and specify (a) the species of fish; (b) where the fish comes from; (c) the fishing season; (d) the name and address of the fishery; (e) the Canadian origin. It must bear the seal of an officer of the Department of Fisheries. It replaces the seals which in the past had to be placed on frozen salmon exported to France.

The following is the form of certificate required:—

Certificate of Fishing

We hereby attest that the salmon¹.....
.....to which this certificate is
attached has been legally caught in the
waters of the².....Ocean or in one of
the rivers which run into it during the fish-
ing season of 193./194. by³
.....
.....
and it is a PRODUCT of CANADA

Certificat de Pêche

Par le présent certificat nous attestons
que le saumon¹.....
auquel il est joint a été légalement capturé
dans les eaux de².....ou des
rivières qui s'y jettent durant la saison de
pêche de 193./194. par³.....
.....
et qu'il est un PRODUIT du CANADA.

SEAL

of Department of Fisheries

OFFICER

Notice to Importers, Distributors and Retailers

Excerpt of Decree June 23, 1939

Frozen fish cannot be carried and sold,
during time of prohibition, without being
accompanied with a certificate delivered by
the authorities of the country of origin.

This certificate must be destroyed as soon
as the fish has been entirely sold.

¹ of the Atlantic or Pacific.

² Atlantic or Pacific.

³ Name and address of fishery.

Avis aux Importateurs, Distributeurs et Détaillants

Extrait de l'Arrêté du 23 juin 1939

Les poissons congelés ne peuvent, pen-
dant les périodes d'interdiction, être trans-
portés et mis en vente qu'accompagnés d'un
certificat délivré par les autorités du pays
d'origine.

Ce certificat sera détruit aussitôt le pois-
son débité en totalité.

¹ De l'Atlantique ou du Pacifique.

² De l'Atlantique ou du Pacifique.

³ Nom et adresse de la pêcherie.

Netherlands

IMPORT QUOTAS ON PAPER AND PAPER PRODUCTS

Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, writes that a Netherlands royal decree of June 23, 1939, continues restrictions on importation of paper and paper products (see *Commercial Intelligence Journal* No. 1799: July 23, 1938, page 145). Imports from each exporting country during the period from July 1, 1939, to June 30, 1940, inclusive, are fixed by the following percentages of the average gross weight imported per twelve months during the years 1933 and 1934: printing and writing paper, wrapping and felt paper, fancy paper, envelopes and paper bags, 50 per cent; wallpaper, 90 per cent. Cellophane and similar transparent paper and products thereof will be admitted to 100 per cent of gross weight imported during 1933. During the period from July 1, 1939, to November 30, 1939, inclusive, imports of office and writing books and printed matter, n.o.p., will be limited to 50 per cent of the average gross weight imported from each exporting country per five months during 1933 and 1934. All previous quotas were the same.

A certificate of origin is required for entry of the above commodities.

The Minister of Economic Affairs may grant special quotas to designated countries. Specified papers and paper products are exempt from quota restrictions, of which a list is on file in the Department of Trade and Commerce.

Belgium

LICENCE FEE ON WHEAT INCREASED

Mr. Yves Lamontagne, Commercial Attaché in Brussels, cables that the Belgian licence fee on wheat has been increased from 22 to 27 francs per metric quintal (from 20 to 25 cents per bushel), effective August 1, 1939.

Poland

CONDITIONS FOR SECURING SPECIAL DUTY ON FRESH APPLES

Mr. Jan Pawlica, Consul General for Poland in Ottawa, writes under date July 22 that shipments of fresh apples from Canada are entitled to the special duty rate (35 zloty per 100 kilos or about \$2.95 per 100 pounds) established in the Commercial Treaty of August 31, 1938, between Poland and Argentina, and extended to Canada through operation of the most-favoured-nation clause, only when in packages weighing 20 kilograms (44 pounds) or less, each, and when imported through ports of the Polish Customs Territory, from March 15 to July 31, annually.

The Consul General states that several shipments which have not complied with these conditions have been passed, exceptionally, by the Polish Ministry of Finance at the special rate. Such exemptions, however, cannot be granted in future.

According to the Polish tariff, the ordinary conventional rate of duty on apples imported through ports of the Polish Customs Territory is 200 zloty per 100 kilos (about \$17 per 100 pounds) during the period from March 15 to July 31.

Japan

TARIFF CHANGES

Mr. C. M. Croft, Commercial Secretary, Canadian Legation, Tokyo, advises that Japanese Imperial Ordinance No. 456, effective July 10, 1939, brings into force the tariff changes reported in *Commercial Intelligence Journal* No. 1839, April 29, 1939 (page 644). The ordinance provides for the entry free of import duty of the following items: certain kinds of millet; small green beans; seeds of sesame, *Perilla Ocimoides* and *Aleurites cordata*; castor oil in cans, barrels, or jars; and wood oil, obtained from the seeds of *Aleurites cordata*.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Chile

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, July 18, 1939.—Exchange control continues in effect in Chile. A portion of the foreign exchange obtained by exporters must be surrendered to the Commission for International Exchanges, while the balance, known as "barter" or "export" exchange, may be used for approved imports or sold through an authorized bank to third parties for that purpose. It has been the declared policy of the commission since 1937 to maintain a rate of 25 Chilean pesos to the United States dollar for "export" drafts, but during recent months the rates at which such exchange has been obtained from the commission for luxury articles have been around 31 Chilean pesos to the United States dollar, the same rate as the gold or so-called "free market rate." These rates are distinct from the "official" rate of 19.37 pesos to the United States dollar, and from the "curb market" or "black" rate which has varied during recent months from 33 to about 36 pesos to the United States dollar and which is illegal.

PERMITS FOR IMPORTS

For some months past during this year it has been necessary for importers, prior to the placing of orders with foreign exporters, to obtain permits from the commission for goods to be imported. Further, importers must present to the commission a complete statement of imports of each individual item during the years 1938 and 1937 prior to the making of application for foreign exchange. By a ruling of the commission it has been provided that only 70 per cent of imports for all items of the average for the two years mentioned may be obtained by individual importers. Fuller details of the procedure are set out in *Commercial Intelligence Journal* No. 1841 (May 13, 1939), page 729.

SHORTAGE OF EXCHANGE

The shortage of foreign exchange, particularly of United States dollars, which was acute at the beginning of 1939, continued through the second quarter, although in the latter half of the quarter the actual demand has been reduced. Conversely, large quantities of askmarks have been available as a result of credits opened in Germany by The Nitrate and Iodine Sales Corporation in anticipation of sales in 1939. This had a rather disturbing effect on the market for a time. Latterly the surplus of askmarks appears to have been somewhat reduced and the position is relatively more normal, although as yet still creating a disequilibrium of the market.

During May a great volume of "export" exchange was released by the commission to the banks; largely due, it is believed, to the drop in imports which was seriously curtailing customs revenue. It is estimated that only about \$6,400,000 in United States currency was granted to importers in the first four months of the year as compared with more than \$12,000,000 in the comparative period of 1938. Many importers in recent months have been forced to accept the higher or "free market" rate of 31 pesos to the United States dollar, provided for luxury articles, in order to meet obligations; while others have cut down all orders on luxury lines, thus paving the way for more than a sufficient supply of the "free market" pesos.

In the latter part of May a fair volume of exchange, estimated at about \$1,225,000, was made available by the commission to the importers, relieving the situation with respect to "export" exchange to some extent. Nevertheless, arrears in applications for foreign exchange totalled about \$2,000,000 and £200,000 at the beginning of June. There has been a tendency towards the forcing of importers into the free market, where the rate is 31 pesos to the United States dollar, or towards the placing of orders for certain commodities in countries such as Germany and Italy, with which Chile maintains compensation agreements, and thus towards taking up the exchange available from those countries.

FIXED RATE FOR DOLLAR CURRENCY

The commission has recently set up a new fixed rate for the purchase of dollar currency bills, which must be bought only at 30.50 pesos per United States dollar and sold at 30.75 pesos per United States dollar. In effect, this is a rate of exchange for the dollar additional to the several already in existence and previously mentioned, but as it applies only to currency bills the effect on ordinary commercial transactions is practically nil.

The general situation with respect to exchange for goods from Canada remains more or less unchanged from that reported in *Commercial Intelligence Journal* No. 1841, to which reference has been already made, although the difficulties of obtaining dollars and sterling no doubt will have added to the obstacles previously existing.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 31, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 31, 1939, and for the week ending Monday, July 24, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 24	Nominal Quotations in Montreal Week ending July 31	Official Bank Rate
Belgium	Belga	.1001	\$.1701	\$.1699	2½
Bulgaria	Lev	.0072	.0121	.0123	6
Denmark	Krone	.2680	.2092	.2089	3½
Finland	Markka	.0252	.0205	.0205	4
France	Franc	.0392	.0265	.0265	2
Germany	Reichsmark	.2382	.4015	.4012	4
Great Britain	Pound	4.8666	4.6865	4.6807	2
Greece	Drachma	.0130	.0086	.0086	6
Holland	Guilder	.4020	.5368	.5310	2
Hungary	Pengo	.1749	.2953	.2950	4
		Unofficial	.1960	.1958	—
Italy	Lira	.0526	.0526	.0526	4½
Yugoslavia	Dinar	.0176	.0227	.0227	5
Norway	Krone	.2680	.2354	.2352	3½
Poland	Zloty	.1122	.1882	.1880	4½
Portugal	Escudo	.0442	.0425	.0425	4-4½
Roumania	Leu	.0060	.0070	.0071	3½
Spain	Peseta	.1930	.1103	.1102	4
Sweden	Krona	.2680	.2414	.2412	2½
Switzerland	Franc	.1930	.2260	.2255	1½
United States	Dollar	1.0000	1.0009	1.0000	1
Mexico	Peso	.4985	.1728	.1687	3
Cuba	Peso	1.0000	1.0004	.9995	—
Guadeloupe	Franc	.0392	.0265	.0265	—
Jamaica	Pound	4.8666	4.6965	4.6907	—
Martinique	Franc	.0392	.0265	.0265	—
Other British West Indies	Dollar	1.0138	.9764	.9751	—
Argentina	Peso	.4245	.3125	.3121	3½
	Official buying		.2757	.2753	—
	Unofficial		.2312	.2310	—
Brazil	Milreis (Paper)	.1196	.0606	.0606	—
	Unofficial		.0504	.0504	—
British Guiana	Dollar	1.0138	.9764	.9751	—
Chile	Peso	.1217	.0517	.0517	3-4½
	Unofficial		.0400	.0400	—
Colombia	Peso	.9733	.5710	.5705	4
Peru	Sol	.2800	.1802	.1875	6
Venezuela	Bolivar	.1930	.3103	.3125	—
Uruguay	Peso	1.0342	.6167	.6159	—
	Unofficial		.3576	.3581	—
South Africa	Pound	4.8666	4.6748	4.6690	3½
Egypt	Pound (100 Piastres)	4.9431	4.8045	4.7991	—
China (Shanghai)	Dollar	.....	.0831	.0840	—
Hongkong	Dollar	.....	.2859	.2864	—
India	Rupee	.3650	.3494	.3496	3
Japan	Yen	.4985	.2731	.2728	3.29
Java	Guilder	.4020	.5373	.5316	—
Siam	Baht (Tical)	.4424	.4296	.4290	—
Straits Settlements	Dollar	.5678	.5484	.5482	—
Australia	Pound	4.8666	3.7500	3.7450	3
New Zealand	Pound	4.8666	3.7650	3.7600	4

The Dominion Bureau of Statistics has supplied the following note:—

Continuing its irregular advance of the past few weeks the Canadian dollar showed further appreciation against leading foreign currencies during the week ended July 31. Touching par at Montreal for the first time since early March, 1938, the United States dollar declined from \$1.00³³/₃₂ on July 24 to \$1 on the 28th, where it remained for the balance of the week. A more favourable export balance with the United States coupled with increased sales of securities were cited as the primary sources of strength for the Canadian unit. Spot sterling rates receded from \$4.6865 on July 24 to \$4.6807 on the 31st, while French francs declined from 2.6515 cents to 2.650 cents. Following the disavowal of the new Dutch Cabinet earlier in the week, rates on the florin dropped sharply to 53.10 cents on the 31st, which compared with 53.68 cents on July 24. Belgian belgas eased 2 points to 16.99 cents between July 24 and 31, while a nominal rate for the Mexican peso moved down 41 points to 16.87 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce
Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry,
Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs and Feedstuffs—			
Dried and Smoked Fish.....	303	Havana, Cuba.....	Agency.
Codfish.....	304	Santiago, Cuba.....	Agency.
Hay.....	305	Dorchester, England.....	Purchase.
Miscellaneous—			
Cosmetics.....	306	Port of Spain, Trinidad....	Agency.
Gudgeon Pins.....	307	Johannesburg, South Africa	Agency.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of York, Aug. 9 and Sept. 1; Montrose, Aug. 15; Duchess of Bedford, Aug. 20; Duchess of Atholl, Aug. 25; Duchess of Richmond, Sept. 9—all Canadian Pacific; Antonia, Aug. 11 and Sept. 8; Andania, Aug. 25—both Cunard-White Star Line.

To London.—Beaverford, Aug. 11; Beaverburn, Aug. 18; Beaverbrae, Aug. 25; Beavercdale, Sept. 1; Beaverhill, Sept. 8—all Canadian Pacific; Alaunia, Aug. 11; Aurania, Aug. 18; Ascania, Aug. 25; Ausonia, Sept. 1—all Cunard-White Star Line; Taborfjell, Aug. 11; Svaneffjell, Aug. 23; Rutenfjell, Sept. 6—all Fjell Line; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—both Oranje Line.

To Manchester.—Manchester Citizen, Aug. 10; Manchester Progress, Aug. 17; Manchester Commerce, Aug. 24; Manchester City, Aug. 31; Manchester Regiment, Sept. 7; Manchester Port, Sept. 14—all Manchester Line.

To Avonmouth, Bristol, Cardiff and Swansea.—Norwegian, Aug. 19; Dakotian, Sept. 6; Dorelian, Sept. 23—all Cunard-Donaldson and Dominion Lines; Bristol City, Aug. 8; Boston City, Aug. 26; New York City, Sept. 14—all Bristol City and Dominion Lines.

To Glasgow.—Delilian, Aug. 11; Athenia, Aug. 18; Sulairia, Aug. 25; Letitia, Sept. 2—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Bassano, Aug. 17; Consuelo, Sept. 7—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnross, Aug. 9; Cairnvalona (also calls at Dundee), Aug. 16; Cairnglen, Aug. 23; Cairnesk, Sept. 6; Cairnmona (also calls at Dundee), Sept. 13—all Cairn-Thomson Line.

To United Kingdom Ports.—Yorkwood, Aug. 10; Kirnwood, Aug. 15; Kingswood, Aug. 17; Briarwood (calls at London), Aug. 17; Windsorwood, Sept. 8; Maplewood (calls at London), Sept. 10—all Constantine Line.

To Belfast and Dublin.—Dunaff Head, Aug. 10; Melmore Head, Aug. 22—both Head Line (also call at Londonderry and Cork).

To Hamburg and Bremen.—Beaverdale, Sept. 1; Beaverburn, Sept. 22—both Canadian Pacific (do not call at Bremen); Bochum, Hamburg-American Line, Aug. 11 and Sept. 15; Koenigsburg, North German Lloyd Line, Aug. 25.

To Antwerp.—Beaverford, Aug. 11 and Sept. 15; Beaverburn, Aug. 18; Beaverbrae, Aug. 25—all Canadian Pacific; Brant County, Aug. 6; Eastern Star, Aug. 16—both County Line (also call at Havre); Taborfjell, Aug. 11; Svanefjell, Aug. 23; Rutenfjell, Sept. 6—all Fjell Line; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—both Oranje Line.

To Rotterdam.—Hada County, Aug. 11; Grey County, Aug. 25—both County Line; Taborfjell, Aug. 11; Svanefjell, Aug. 23; Rutenfjell, Sept. 6—all Fjell Line; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—both Oranje Line.

To Norwegian Ports.—Topdalsfjord, Aug. 7; Idefjord, Sept. 1—both Norwegian-American Line.

To Scandinavian and Baltic Ports.—Stureholm, Aug. 16; Ragnhildsholm, Sept. 12—both Swedish America Mexico Line; Kungsholm, Swedish-American Line, Aug. 19.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Lena, Aug. 19; Capo Olmo, Sept. 7—both Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—New Northland, Aug. 7 and 21; Gaspesia, Aug. 16 and 30—both Clarke SS. Co. (call at Cornerbrook only); Belle Isle (calls at St. John's and St. Pierre-Miquelon), Newfoundland-Canada SS. Ltd., Aug. 11 and 25; Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd., Aug. 29.

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, Aug. 19; Cornwallis, Sept. 2; Chomedy, Sept. 16—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Cavelier (calls at Kingston only), Aug. 11; Lady Somers, Aug. 16; Cathcart (calls at Kingston only), Aug. 25; Lady Rodney, Aug. 30—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Olympia, Aug. 26; a steamer, September—both Ocean Dominion SS. Corp.

To Buenos Aires.—Tercero, International Freighting Corporation, Sept. 8 (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Kaikoura, Aug. 25; a steamer, end of September—both Montreal Australia New Zealand Line Ltd. (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—Port Saint John, Aug. 10; a steamer, Sept. 9—both Montreal Australia New Zealand Line Ltd. (also call at Napier).

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Tawali, Aug. 24; Mapia, Sept. 23—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Deido (also calls at Lour-enco Marques and Beira), Aug. 7; Calgary, Aug. 27—both Elder Dempster Lines Ltd.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Bath, Aug. 12; a steamer, Aug. 26—both Canada India Service.

From Quebec

To Southampton.—Empress of Britain, Aug. 12 and 26; Empress of Australia, Aug. 19 and Sept. 2—both Canadian Pacific.

From Saint John

To Liverpool and Manchester.—Manchester Brigade, Aug. 12; Manchester Division, Sept. 2—both Manchester Line.

To London, Aberdeen, Newcastle and Hull.—Marwarri, Cunard-White Star Line, Aug. 22; Kyno, Ellerman's Wilson Line, Aug. 25.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Aug. 16; Lady Drake, Aug. 30; Lady Nelson, Sept. 13—all Canadian National.

To Kingston and Jamaican Outports.—Iriona, United Fruit Co., Aug. 12 and 26, Sept. 9.

From Halifax

To Liverpool.—Newfoundland, Aug. 19; Nova Scotia, Sept. 6—both Furness Line.

To St. John's, Nfld.—Fort Townshend (also calls at St. Pierre), Aug. 7 and 21, Sept. 4; Fort Amherst (also calls at Cornerbrook), Aug. 14 and 28—both Furness-Red Cross Line; Magnihild, Newfoundland-Canada Steamships Ltd., Aug. 7 and 21, Sept. 4 (also calls at St. Pierre and Newfoundland outports); Portia, Newfoundland Ry. and SS. Co., Aug. 16; Newfoundland, Aug. 19; Nova Scotia, Sept. 6—both Furness Line.

To Kingston, Jamaica.—Cavelier, Aug. 14 and Sept. 11; Catheart, Aug. 28—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Aug. 10; Lady Hawkins, Aug. 24; Lady Drake, Sept. 7—all Canadian National; Olympia, Aug. 31; a steamer, September—both Ocean Dominion SS. Corp. (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy, Aug. 9; Colborne, Aug. 23; Cornwallis, Sept. 6—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillemor, Aug. 9; Lillgunvor, Aug. 23—both Pickford & Black Ltd. (also call at Jamaican outports as cargo offers).

To Far East Ports.—Siversandal, Aug. 6; Silveryew, Sept. 5—both Silver Line; Chinese Prince, Aug. 21; Javanese Prince, Sept. 21—both Furness-Prince Line.

From Vancouver

To Yokohama, Kobe and Osaka.—Hikawa Maru, Aug. 12; Hie Maru, Aug. 26; Heian Maru, Sept. 9—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Asia (calls at Nagasaki), Aug. 19; Empress of Canada (calls at Honolulu), Sept. 2; Empress of Russia (calls at Nagasaki), Sept. 16; Empress of Japan (calls at Honolulu), Sept. 30—all Canadian Pacific; Ixion, Sept. 2; Talthybius, Oct. 2—both Blue Funnel Line (call at Miike but not at Manila).

To Pacific Islands, Southern Group (Apia, Suva, Lautoka, Levuka, Nukualofa, Haapai, Vavau, Vila, Santo and Noumea).—Thor I, Empire Shipping Co. Ltd., Aug. 10.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, Aug. 30; Niagara, Sept. 27—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia and Singapore.—Hoegh Transporter (calls at Saigon, Belawan Deli, Colombo and Bombay, will also call at Port Swettenham and Penang if sufficient cargo offers), Aug. 11; Djambi (calls at Colombo, Bombay, and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Aug. 31; Silveray (calls at Saigon, Belawan Deli, Colombo and Bombay, will also call at Port Swettenham and Penang if sufficient cargo offers), Sept. 9—all Silver-Java Pacific Line.

To Papeete, Auckland, Wellington, Melbourne and Sydney.—Hauraki (also calls at Dunedin and Adelaide), Canadian-Australasian Line, Aug. 15.

To Brisbane, Sydney, Melbourne and Adelaide.—Goonawarra, Aug. 17; Kookaburra, Sept. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Lochavon (also calls at Glasgow), Aug. 19; Lochkatrine, Sept. 2; Lochmonar (also calls at Glasgow), Sept. 16—all North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Pacific, Aug. 19; Balboa, Aug. 24; Annie Johnson, Sept. 7; Axel Johnson (calls at Plymouth), Sept. 22—all Johnson Line.

To Antwerp, Hamburg and Bremen.—Portland, Hamburg-American Line, Aug. 17; Isar, North German Lloyd Line, Aug. 21.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Oregon, Aug. 8; Wyoming, Aug. 23; San Antonio, Sept. 19—all Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Leme, Aug. 12; Fella, Sept. 9—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—Silverbelle, Aug. 8; Manoran, Sept. 6—both Silver-Java Pacific Line (call at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Sheafcrown (also calls at Beira), North Pacific Shipping Co. Ltd., early September.

To West African Ports.—A vessel, Jorgensen Shipping Company A/B, end of September or beginning of October (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., late August.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Leikanger, Aug. 23; Evanger, Sept. 28—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

To Buenaventura and Guayaquil.—A steamer, North Pacific Shipping Co. Ltd., August (also calls at Mexican and Central American west coast ports).

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER. Address for letters—90 Queen Street. Office—Safe Deposit Office Building. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxembourg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

J. C. MACGILLIVRAY, 801 Columbus-Haus, Potsdamer Platz 1, Berlin W.9. (Territory includes Czecho-Slovakia and Poland.) *Cable address, Cantracom.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTER. Address for letters—P.O. Box 715. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

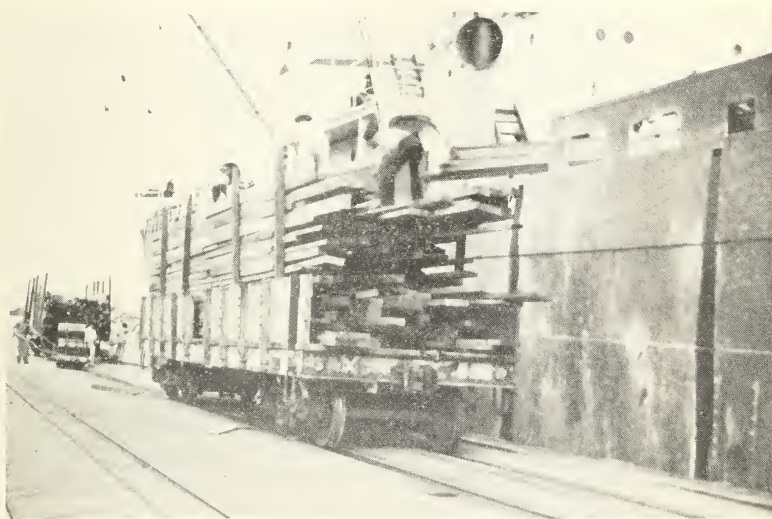
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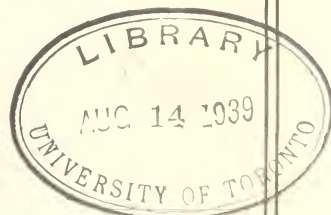
Ottawa, August 12, 1939

No. 1854



Shipment of 750,000 feet of B.C. Lumber being transhipped
at Callao, Peru

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, August 12, 1939

No. 1854

CONDITIONS IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE

UNITED KINGDOM

II. External Trade

London, July 20, 1939.—During the last two months there was an appreciable increase in the turnover of Britain's overseas trade for the first time for more than a year. Compared with the corresponding month in 1938, imports in June increased in value by 7.3 per cent, and British exports by 8.1 per cent.

The returns for the first half-year do not fully reflect the upward trend, but the decreases are of a minor character and the significance of the present position is the rising tendency which has set in.

The following table summarizes the trade figures for the January-to-June period as compared with those for the same period of 1938:—

	Six Months ended June:		Increase or Decrease Per Cent	
	1939 £	1938 £		
Imports	447,886,336	469,657,664	-21,771,328	- 4.6
Exports	236,318,724	233,193,516	+ 3,125,208	+ 1.3
Re-exports	28,101,342	32,848,053	- 4,746,711	-14.4

BALANCE OF TRADE

It is unfortunate that the improvement in exports of British goods, which is the most gratifying feature of the external trade situation at the turn of the year, was accompanied by a deterioration in entrepôt transactions, otherwise there would have been a more definite reduction in the adverse visible balance of trade. The actual excess of imports during the six months was £183,466,276 as compared with £203,616,083 in 1938. While the falling trend is welcome, the current contraction of international commerce is bound to cause a diminution in Britain's overseas investments, shipping earnings and other items among invisible exports, which depend upon the volume of world trade. The gains resulting from exchanges of merchandise are therefore likely to be neutralized.

There is a general agreement that the most satisfactory way of preventing any undue strain on the trade balance is to effect a positive increase in exports of British goods. Conditions are not favourable, however, for such a movement. The unsatisfactory international situation combined with the preoccupation of many British manufacturers with rearmament work, are adverse features in this respect. On the other hand, the generous extension of export credits provided by the Government to British traders will tend to promote sales of British products abroad and full benefit has not yet been derived from the United Kingdom-United States Trade Agreement.

IMPORTS

The decline in imports, as compared with 1938, was almost equally divided between "food, drink, and tobacco" and "raw materials." The former group declined by £11,415,863 or 5 per cent, and the latter by £11,018,863 or 8 per cent. As was to be expected, the most striking drop occurred in grain and flour. The value of imports under this heading during the year was £29,518,566, which represented a contraction of 26 per cent as compared with a year ago and is attributable to lower prices rather than to smaller volume. Other items in the food list remain fairly steady.

Among raw materials there was a decrease of 47 per cent in iron ore and scrap and of 19 per cent in raw cotton, while rubber fell by 37 per cent. The only increases of note took place in wool (4·5 per cent) and in flax and jute (20 per cent).

Imports of fully manufactured goods totalled £122,023,221, practically the same as in the first half of 1938. Arrivals of iron and steel fell by 27 per cent and those of non-ferrous metals and manufactures by 8 per cent. On the other hand machinery advanced by 11 per cent and chemicals by 36 per cent.

EXPORTS

Of the increase of £3,125,208 in exports of British merchandise £1,318,615 was accounted for by "food, drink, and tobacco." Fully manufactured articles comprised nearly 80 per cent of Britain's shipments during the six months and the total value was little different from that in 1938. The only noteworthy feature was a reduction of 18 per cent in iron and steel manufactures and an increase of 13 per cent in motor cars, ships, and aircraft.

The exceptional contraction in re-export trade was mainly traceable to one cause, namely, a diminution of £3,889,000 in the value of supplies of non-ferrous metals and manufactures to the Soviet Union.

TRADE BY COMMODITY GROUPS

The following table shows the trade in the opening half of 1939 and 1938, according to the Board of Trade classifications of commodities:—

Table of Imports, Exports, and Re-exports, according to the Board of Trade Classification, during the Six Months ended June 30, 1938 and 1939

(a) IMPORTS		
	Jan.-June, 1938	Jan.-June, 1939
Food, drink and tobacco	£211,094,784	£199,678,921
Raw materials and articles mainly unmanufactured . .	133,287,894	122,269,031
Articles wholly or mainly manufactured	122,243,289	122,023,221
Animals not for food	1,447,264	1,550,060
Parcel post	1,584,433	2,365,103
Total	469,657,664	447,886,336
(b) EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM		
	Jan.-June, 1938	Jan.-June, 1939
Food, drink and tobacco	£ 16,428,810	£ 17,747,425
Raw materials and articles mainly unmanufactured..	27,711,144	28,430,975
Articles wholly or mainly manufactured	183,520,442	184,068,696
Animals not for food	278,281	302,643
Parcel post	5,254,839	5,768,985
Total	233,193,516	236,318,724
(c) EXPORTS OF FOREIGN AND COLONIAL MERCHANDISE		
	Jan.-June, 1938	Jan.-June, 1939
Food, drink and tobacco	£ 6,082,435	£ 6,031,036
Raw materials and articles mainly unmanufactured..	16,432,564	15,668,311
Articles wholly or mainly manufactured.. . . .	9,949,253	6,077,407
Animals not for food	383,801	324,588
Total	32,848,053	28,101,342

III. Imports from Canada

The Board of Trade report includes details of imports of staple lines by countries and it is thus possible to review the condition of Canada's trade in the chief commodities purchased by the United Kingdom.

Wheat.—The figures provide a striking commentary on the sharp drop in wheat prices. The total quantity of wheat brought in was 56,752,681 cwts., which was 19 per cent greater than in the first six months of 1938. Nevertheless the value at £14,491,900 was down by 33 per cent. The quantity credited to Canada was 16,638,618 cwts., nearly double that of the corresponding period last year. Australian shipments fell heavily to 7,247,534 cwts. from 18,245,975 cwts. United States supplies at 10,896,526 cwts. were well maintained and Argentine shipments at 9,297,695 cwts. were also double those of 1938.

Barley.—Total consignments of barley amounted to 6,947,453 cwts., a reduction of 12·5 per cent. Imports from Canada at 1,820,558 cwts. fell in about the same proportion.

Oats.—There was an increase of 40 per cent in receipts of Canadian oats, which amounted to 877,853 cwts. Supplies from other sources were negligible.

Flour.—Deliveries of flour from Canada rose by 25 per cent to 2,093,713 cwts. in a total of 4,078,825 cwts. Other notable changes in the half-year were a reduction of 42 per cent in Australia's contribution (1,015,087 cwts.) and a decline in imports from the United States to 47,555 cwts. as compared with 290,082 cwts. in 1938, when, it will be recalled, shipments were upon an abnormal scale.

Rolled Oats.—Canada continues to dominate this trade, which showed an advance during the year. For the six months imports from Canada aggregated 225,797 cwts., a rise of 5 per cent.

Live Cattle.—A severe drop took place in landings of Canadian cattle, which amounted to 793 head between January and June as compared with 19,248 head in the similar period of last year. Arrivals from Ireland increased by 24,423 head to 285,174 head.

Bacon.—A further decline took place in supplies of Canadian bacon. The quantity imported from Canada in the first half-year was 579,670 cwts., a decrease of over 15 per cent. Total imports of bacon at 3,624,435 cwts. were slightly higher than a year ago. As a result of increases in the European quota, shipments from Poland (307,020 cwts.) increased by 38 per cent, from the Netherlands (363,920 cwts.) by 45 per cent, and from Denmark (1,684,606 cwts.) by 0·8 per cent.

Hams.—The feature of the ham trade is the rise in purchases from the United States to 241,683 cwts., an advance of nearly 20 per cent in a total of 381,888 cwts. Canada was credited with 112,791 cwts., which was 9 per cent less than last year.

Butter.—The figures regarding butter are interesting inasmuch as, for the first time in several years, Canada has shipped to the United Kingdom in appreciable quantity, although it is a very insignificant proportion of the six months' imports of 4,858,703 cwts. Arrivals from Canada amounted to 71,314 cwts. The bulk of the trade is shared between New Zealand, Australia, and Denmark.

Cheese.—Total imports of cheese for the half-year were recorded at 1,406,477 cwts., which was a slight increase. Entries from Canada were 85,047 cwts., a reduction of 8 per cent; and from New Zealand 942,655 cwts., a reduction of less than 1 per cent. Australia's contribution rose by 41 per cent to 185,416 cwts.

Apples.—The first six months of the year coincide with the Australasian season and more than half of the imports are from Australia and New Zealand. Compared with the corresponding period in 1938, deliveries from Canada at 798,553 cwts. were down by nearly 3 per cent.

Frozen Fish.—Canada's shipments under this classification consist almost entirely of frozen salmon. There was a welcome increase of 29 per cent in the volume of Canada's supplies, the quantity imported during the six months being 49,685 cwts.

Canned Salmon.—There was a remarkable growth during the period in Britain's purchases of canned salmon, the total of which amounted to 509,500 cwts., or more than double the corresponding quantity last year. Japan supplied 226,838 cwts., or more than treble the quantity of last year, and the United States 192,867 cwts., or nearly double. Canada shipped 89,538 cwts., which represented an increase of nearly 40 per cent.

Canned Lobster.—A heavy reduction occurred in the lobster trade, in which Canada is practically the only supplier. Shipments were entered at 4,320 cwts. as compared with 7,843 cwts. in the same period of 1938.

Canned Pears.—This is the only kind of canned fruit for which separate figures of Canadian imports are shown. The quantity credited to the Dominion for the six months is 42,524 cwts., which is about the same as last year. Total imports under this heading amounted to 484,892 cwts., an increase of 21 per cent. The United States supplied 349,172 cwts., an increase of 36 per cent.

Lard.—Receipts of lard were recorded at 944,080 cwts., or 15 per cent more than in the first half of 1938. The United States made a further recovery in this trade, supplying 801,418 cwts., an advance of 22 per cent. Entries from Canada fell by 13 per cent to 78,292 cwts.

Leaf Tobacco.—A substantial decline occurred in importations of leaf tobacco. In the stripped category total landings, amounting to 16,158,348 pounds, were less than half those of 1938, the chief losses being in shipments from British India and the United States. On the other hand, Canadian supplies at 477,612 pounds were a little higher.

The fall in unstripped leaf was more than 11 per cent. Of the aggregate imports of 81,157,538 pounds the United States furnished 57,794,890 pounds, a reduction of 19 per cent, and Canada 17,963,752 pounds, an increase of 33 per cent.

Wood and Timber.—The quantity of sawn hardwoods (other than mahogany, walnut, oak, and teak) brought in during January to June showed a slight increase at 8,129 thousand cubic feet, but consignments from Canada (2,068 thousand cubic feet) were down by 12 per cent.

Under the classification of sawn softwoods, which constitute the bulk of Britain's imports, total imports were 505,941 standards, a rise of 19 per cent. Arrivals from Canada were 169,912 standards, or 34 per cent higher. The improved demand for sawn softwoods is attributable largely to the construction contingent upon armament and defence expansion.

A somewhat similar result is apparent in planed or dressed softwoods. total imports of which (140,781 standards) went up by 18 per cent, and Canadian consignments (69,659 standards) by 30 per cent.

Non-ferrous Metals and Manufactures.—On balance there was an all-round, although minor, reduction in imports in this group. Due to heavier requirements for aircraft, purchases from abroad of aluminium ingots, etc., rose by 13 per cent. Canada, the chief source of supply, shipped 362,743 cwts., or 20 per cent more than in the first half of 1938. In electrolytic unwrought copper deliveries from Canada at 53,466 tons were slightly higher than in the previous year, in spite of a fall in total imports. In copper rods, etc., however,

there was a decline of 12 per cent in purchases from the Dominion, which is practically the only supplier.

There was also a falling-off of 5.5 per cent in the tonnage of lead brought in from Canada. It amounted to 51,408 tons in a total of 193,463 tons. A sharp contraction occurred in imports of unwrought nickel from Canada, which amounted during the first half-year to 78,575 cwts. as compared with 219,302 cwts. in the corresponding period last year. On the other hand, consignments of zinc from Canada registered a slight advance to 50,495 tons.

Rubber Footwear.—The trade in rubber boots was active during the six months under review, largely on account of purchases for defence purposes. Imports from all sources amounted to 90,935 dozen pairs, an increase of 83 per cent. Canadian manufacturers, who supplied 77,625 dozen pairs, benefited to the extent of 75 per cent. In the tennis shoe category there was also an improvement. Imports advanced by 11 per cent to 632,799 dozen pairs and Canada's contribution (123,591 dozen pairs) by 13 per cent.

Leather.—The trade figures also disclose a more encouraging situation in the leather trade. Imports of box and willow calf were entered at 13,843 cwts., a rise of 44 per cent. Shipments from Canada at 3,629 cwts. were more than double those of last year. Deliveries of patent leather amounted to 7,956 cwts., showing a 33 per cent increase; Canada's share (5,465 cwts.) went up by 42 per cent.

Paper, Cardboard, etc.—Total imports of newsprint remained steady at 3,873,853 cwts., but Canadian consignments, amounting to 1,663,323 cwts., rose by 19 per cent. In spite of a small recovery in total receipts of boards, however, purchases from Canada fell by 32 per cent to 191,462 cwts.

Imports of Certain Products, Mainly Agricultural, into the United Kingdom during the Six Months ended June 30, 1938 and 1939

	1938		1939	
	Quantity Cwts.	Value £	Quantity Cwts.	Value £
Wheat—				
Total imports	47,371,889	21,318,983	56,752,681	14,491,900
Canada	8,686,303	4,621,637	16,638,618	4,888,136
Argentina	4,501,881	2,031,398	9,297,695	2,280,756
United States	12,004,066	5,398,237	10,896,526	2,653,268
Soviet Union	2,265,371	982,619	.....	.....
Barley—				
Total imports	7,973,190	3,279,162	6,947,453	2,006,237
Canada	2,155,315	805,258	1,820,558	504,623
United States	1,189,062	573,101	1,083,077	418,519
Argentina	317,273	115,704	3,543	853
Soviet Union	4,935	1,653	288,253	71,560
Oats—				
Total imports	627,515	240,484	877,853	233,251
Canada	545,553	210,348	877,540	233,178
Foreign countries	34,180	10,768	35	18
Wheat Meal and Flour—				
Total imports	3,978,712	2,366,327	4,078,825	1,423,510
Canada	1,668,991	1,154,859	2,093,713	834,684
Australia	1,749,894	919,725	1,015,087	341,779
United States	290,082	176,074	47,555	20,972
Oat products (including groats and rolled oats)—				
Total imports	214,775	260,344	227,082	308,107
Canada	214,149	259,717	225,797	307,118
Foreign countries	486	536	1,284	988
Bacon—				
Total imports	3,430,871	15,298,797	3,624,435	15,626,047
Canada	700,953	3,009,122	579,670	2,391,042
Denmark	1,673,130	7,904,861	1,684,606	7,617,168
Poland	221,865	948,585	307,020	1,226,663
Netherlands	249,570	1,126,353	363,920	1,563,964
Sweden	129,104	585,223	167,226	705,525

Imports of Certain Products, Mainly Agricultural, into the United Kingdom during the Six Months ended June 30, 1938 and 1939—Continued

	1938		1939	
	Quantity Cwts.	Value £	Quantity Cwts.	Value £
Hams—				
Total imports	345,103	1,526,962	381,888	1,752,730
Canada	123,967	574,792	112,791	539,084
United States	202,469	878,131	241,683	1,091,046
Butter—				
Total imports	4,935,833	26,633,846	4,858,703	25,969,506
Canada	889	5,485	71,314	376,755
Australia	1,029,798	5,691,217	1,037,713	5,563,756
New Zealand	1,461,946	8,253,652	1,382,629	7,742,040
Denmark	1,158,244	6,199,755	1,028,838	5,800,860
Cheese—				
Total imports	1,363,936	4,449,580	1,406,477	4,169,217
New Zealand	950,217	3,140,683	942,655	2,794,613
Canada	93,207	325,989	85,047	277,504
Apples, raw—				
Total imports	3,251,372	3,181,136	3,159,358	3,376,268
Canada	822,896	679,340	798,553	690,813
United States	837,592	668,075	952,730	976,774
Australia	1,228,403	1,376,552	1,079,005	1,293,381
Fish, fresh or frozen (not of British taking)—				
Total imports	1,022,841	1,538,741	1,191,922	1,612,175
Canada	38,284	154,596	49,685	188,074
Norway	488,848	417,581	521,700	441,106
Denmark	147,222	292,819	167,343	333,624
Ireland	16,876	105,201	19,179	117,664
Canned salmon—				
Total imports	240,732	972,022	509,500	1,888,232
Canada	64,656	248,866	89,538	389,373
United States	98,637	440,367	192,867	708,135
Soviet Union	3,359	11,824	26	92
Canned lobster—				
Total imports	7,945	99,689	4,592	56,839
Canada	7,843	98,720	4,320	54,121
Canned pears—				
Total imports	398,627	692,588	484,892	831,289
Canada	43,242	75,622	42,524	73,105
Australia	84,119	153,067	84,928	157,781
United States	256,789	438,028	349,172	584,860
Lard—				
Total imports	815,366	1,820,711	944,080	1,774,964
Canada	90,083	217,532	78,292	147,086
United States	654,549	1,449,306	801,418	1,512,742
Tobacco, unmanufactured, if unstripped—	Lbs.		Lbs.	
Total imports	91,847,035	6,433,526	81,157,538	5,320,780
Canada	13,475,348	991,784	17,963,752	1,209,996
Nyasaland	859,244	46,571	485,634	21,606
Southern Rhodesia	2,264,271	150,250	2,263,878	125,334
British India	1,258,913	68,529	310,689	12,290
United States	71,478,734	4,944,097	57,794,890	3,761,502
Tobacco, unmanufactured, if stripped:				
Total imports	33,398,966	2,196,643	16,158,248	1,033,265
Canada	470,601	23,776	477,612	30,123
Nyasaland	342,575	16,290	522,275	22,865
Southern Rhodesia	107,288	8,649	173,626	10,003
British India	17,306,250	948,289	8,601,168	416,095
United States	15,015,394	1,191,237	6,211,120	544,466
Wood and timber, sawn, hard, not planed or dressed—	M. Cu. Ft.		M. Cu. Ft.	
Total imports	7,952	1,211,982	8,129	1,159,919
Canada	2,356	264,039	2,068	234,615
Poland	494	65,551	519	58,311
United States	2,104	387,035	1,881	324,601
Wood and timber, sawn, soft, not planed or dressed—	Standards		Standards	
Total imports	435,725	6,362,548	505,941	6,740,201
Canada	126,540	1,875,188	169,912	2,305,780
Soviet Union	55,560	832,537	45,548	580,840
Finland	67,055	907,587	85,772	1,064,811
Sweden	59,071	813,480	77,150	960,073
Poland	56,463	733,784	50,843	584,529
United States	19,244	525,690	19,076	568,734

*Imports of Certain Products, Mainly Agricultural, into the United Kingdom
during the Six Months ended June 30, 1938 and 1939—Concluded*

	1938		1939	
	Quantity Tons	Value £	Quantity Tons	Value £
Pulp of wood, mechanical, wet—				
Total imports	319,417	1,953,513	328,939	1,733,216
Canada	6,882	37,532	13,714	73,684
Sweden	98,887	577,595	123,319	678,512
Finland	93,345	519,054	110,088	549,558
Norway	117,648	801,195	80,451	424,517
Aluminium and aluminium alloys—	Cwts.		Cwts.	
Total imports	456,694	2,096,944	515,364	2,378,178
Canada	302,930	1,408,937	362,743	1,687,748
Switzerland	83,157	374,455	141,840	643,794
Nickel—				
Total imports	241,629	2,172,735	107,055	951,071
Canada	219,302	1,976,990	78,575	703,477
Copper ore—	Tons		Tons	
Total imports	14,941	1,225,434	17,502	1,451,146
Canada	14,911	1,224,970	17,418	1,450,230
Copper, electrolytic, unwrought—				
Total imports	108,901	4,794,006	82,972	4,027,380
Canada	50,334	2,236,714	53,466	2,605,413
United States	24,329	1,083,445	9,604	468,242
Pig lead—				
Total imports	201,578	3,180,917	193,463	2,812,785
Canada	54,212	862,260	51,408	747,309
Australia	96,069	1,522,012	100,179	1,459,090
Zinc, crude—				
Total imports	89,220	1,386,823	96,459	1,340,116
Canada	47,518	764,569	50,495	701,175
Australia	8,728	135,266	7,100	99,787
Manufactures of wood and timber—				
Total imports		3,283,851		2,904,160
Canada		536,479		426,828
Finland		820,237		787,078
Soviet Union		274,053		39,258
Rubber boots and shoes (not made to cover the ankle)—				
Total imports	Doz. Prs.		Doz. Prs.	
Canada	567,049	369,780	632,799	400,039
Canada	109,488	120,845	123,591	153,040
Leather, dressed box and willow calf—	Cwts.		Cwts.	
Total imports	9,087	291,362	13,843	445,242
Canada	1,679	84,870	3,629	181,608
Germany	1,725	41,321	2,739	70,767
Netherlands	525	19,650	343	11,773
Hungary	1,246	34,621	813	20,273
Leather, patent varnished, japanned and enamelled—				
Total imports	5,987	176,454	7,956	229,738
Canada	3,826	117,823	5,465	165,550
United States	1,288	36,731	511	18,145
Newsprint, in rolls—				
Total imports	3,861,498	1,827,389	3,873,853	1,786,005
Canada	1,396,950	630,159	1,663,323	748,954
Newfoundland	1,233,731	554,838	961,549	444,703
Finland	892,653	478,700	808,600	388,058
Norway	157,019	79,442	142,268	67,964
Sweden	174,025	79,992	263,629	118,835
Cardboard and millboard (other than wallboards)—				
Total imports	1,268,276	1,070,385	1,360,640	938,882
Canada	284,467	230,605	191,462	153,080
Germany	247,027	234,846	247,876	178,694
Sweden	287,777	241,446	319,760	225,190
Finland	269,846	193,292	401,373	226,123
Motor cars—	Number		Number	
Total imports	7,086	972,707	4,697	694,159
Canada	757	188,827	681	177,293
United States	2,140	404,729	2,147	386,407
France	561	44,832	1,365	79,397

BRITISH EXPORTS TO CANADA

The following table has been compiled from the Board of Trade report to afford an indication of the trend of the export trade in British goods to Canada. It gives as far as practicable details of the total exports during the first six months of 1938 and 1939 of those commodities which are imported in substantial quantities into Canada from the United Kingdom. The actual amounts exported to Canada are shown in conjunction with these figures of total exports:—

Principal British Exports to Canada

	1938		1939	
	Quantity Tons	Value £	Quantity Tons	Value £
Coal—				
Total exports	17,503,113	18,277,044	18,481,788	18,682,451
Canada	414,949	560,467	466,458	662,777
Pottery, glass, abrasives, etc.—				
Total exports		4,743,766		4,706,765
Canada		591,189		526,603
Iron and steel and manufactures thereof—				
Total exports	1,010,655	22,211,945	900,374	18,141,295
Canada	47,347	1,290,320	39,127	963,246
Non-ferrous metals and manufactures thereof—				
Total exports		6,049,922		7,435,443
Canada		178,478		228,539
Cutlery, hardware, implements and instruments—				
Total exports		4,508,011		4,597,462
Canada		206,544		189,305
Machinery—				
Total exports	240,438	29,151,275	214,261	27,685,857
Canada	6,799	920,084	3,504	514,599
Cotton manufactures (except apparel and embroidery)—	1,000 Sq. Yds.		1,000 Sq. Yds.	
Total exports	704,796	16,822,920	702,331	15,548,863
Canada	30,828	540,224	39,039	539,787
Woollen and worsted yarns and manufactures—				
Total exports		13,318,817		13,869,670
Canada		1,832,767		1,919,326
Tissues of artificial silk (including staple fibre and waste)—	Sq. Yds.		Sq. Yds.	
Total exports	14,818,737	671,012	13,617,466	578,112
Canada	935,167	43,718	814,028	39,095
Manufactures of other textile materials (mainly linen, jute and hemp)—				
Total exports		5,453,915		5,896,714
Canada		686,064		664,094
Apparel—				
Total exports		4,063,863		4,306,098
Canada		203,945		199,706
Chemicals, drugs, dyes and colours—				
Total exports		11,010,401		11,977,257
Canada		470,682		531,717
Leather and manufactures thereof—				
Total exports		1,828,265		2,151,584
Canada		133,270		165,517
Paper, cardboard, etc.—				
Total exports		3,462,344		3,538,741
Canada		119,772		100,426
Vehicles (including locomotives, ships and aircraft)—				
Total exports		21,788,222		24,540,739
Canada		474,822		616,900
Miscellaneous articles (wholly or mainly manufactured)—				
Total exports		13,941,248		14,950,370
Canada		586,117		684,363

UNITED KINGDOM MARKET CONDITIONS FOR CANNED APPLES

COMPILED BY CANADIAN TRADE COMMISSIONERS IN THE UNITED KINGDOM

London, June 30, 1939.—In recent years the United Kingdom has imported increasingly larger quantities of Canadian solid-pack apples in gallon containers. Canadian canners are dependent to a great extent on this market for their sales of this product. During the years 1937 and 1938, when the total Canadian production of canned apples (including crabapples) amounted to 15,897,926 pounds and 12,998,114 pounds* respectively, exports to the United Kingdom of 9,831,511 pounds and 13,776,518 pounds were recorded. The growth and extent of Canadian trade in this item is shown by the following figures:—

Canadian Exports of Canned Apples

Calendar Year	Total Exports		Exports to the United Kingdom	
	Lbs.	\$	Lbs.	\$
1933	3,632,049	163,927	3,627,419	163,709
1934	7,441,302	326,551	7,364,325	323,043
1935	7,472,965	337,390	7,441,629	335,783
1936	6,884,787	321,479	6,857,154	320,272
1937	9,894,212	503,806	9,831,511	500,588
1938	13,806,790	657,079	13,776,518	655,316

* Preliminary figures.

STATISTICS OF IMPORTS AND ARRIVALS

Following is a summary of the statistical position, together with comments on current market conditions, with particular reference to Canadian sales in the United Kingdom:—

Prior to 1937 the official United Kingdom import statistics showed figures according to sources of supply for gallon apples packed with the addition of sugar; but for the bulk of the imports, which are of the unsweetened solid pack, no detailed figures were given. The extent of the trade prior to 1937, however, may be gauged from the statistics of arrivals at United Kingdom ports issued by the Imperial Economic Committee. The available figures from both sources of total imports and of shipments from Canada and the United States are given below for the calendar years 1934 to 1938 inclusive:—

United Kingdom Imports and Arrivals of Canned Apples, 1934-38¹

	Imports of Canned Apples Preserved in Syrup ²	Imports of Canned Apples Preserved with out Sugar	Total Imports of Canned Apples	Arrivals of Canned Apples both Plain and Sweetened at U.K. ports ³
	Cwts.	Cwts.	Cwts.	Cases
1934—				
Total imports or arrivals..	28,387	(4)	(5)	433,416
From Canada.. . . .	125	(4)	(5)	143,035
From United States . . .	28,260	(4)	(5)	282,475
1935—				
Total imports or arrivals..	30,402	(4)	(5)	582,301
From Canada.. . . .	110	(4)	(5)	158,706
From United States . . .	30,292	(4)	(5)	417,462
1936—				
Total imports or arrivals..	47,836	(4)	(5)	598,665
From Canada.. . . .	27	(4)	(5)	172,884
From United States . . .	47,809	(4)	(5)	422,213
1937—				
Total imports or arrivals..	44,150	126,118	170,268	512,532
From Canada.. . . .	1,160	83,750	84,910	233,019
From United States . . .	42,894	41,842	84,736	274,122
1938—				
Total imports or arrivals..	41,886	179,470	221,356	616,894
From Canada.. . . .	480	110,721	111,201	294,795
From United States . . .	40,295	67,049	107,344	317,842

¹ Imports and arrivals from minor suppliers. ² The figures shown for Canada probably include small imports from Australia. ³ As compiled and published by the Imperial Economic Committee. ⁴ Not shown separately prior to 1937. ⁵ Not available; see footnote (4).

The arrival figures shown in the last column above indicate that Canada's share of this trade has increased from slightly over 30 per cent in 1934 to about 45 per cent in 1937 and 48 per cent in 1938, whereas the proportion of the trade enjoyed by United States canners, on the same basis, has declined from 65 per cent in 1934 to 53 per cent in 1937 and 51 per cent in 1938. The remainder of the trade has been done by Australian and Japanese canners, who have made small sporadic shipments of canned apples to the United Kingdom in recent years. These supplies, which are not shown in the foregoing table, amounted in 1937 to 3,670 cases and 1,721 cases from Australia and Japan respectively.

Due to a certain amount of intransit and re-export trade through United Kingdom ports, the arrival and import statistics are not strictly comparable. The latter, however, are a more reliable gauge of the quantities actually imported for consumption, and on this basis the total trade in 1937 and 1938 was shared almost equally by Canadian and United States canners. Total imports of both sweetened and unsweetened canned apples in 1938 were valued at £258,156, of which Canada's share amounted to £131,110 and that of the United States to £123,628. The United States, however, is shown to have supplied the bulk of the imports of the sweetened variety during the past five years, although since 1936 this trade has fallen off slightly. In 1935 about 45 per cent of United States trade with this country in gallon apples was in the sweetened type.

CONSUMPTION AREAS

The following table, showing the ports of ultimate consignment of canned apples after their arrival in the United Kingdom, may be of interest to Canadian canners who have not ready access to such figures. These figures are based on returns made to and published by the Imperial Economic Committee, and to some extent indicate the relative importance of the areas mentioned as a market for gallon apples:—

Ports of Ultimate Destination for Canned Apples

	1934	1935	1936	1937	1938
	Cases	Cases	Cases	Cases	Cases
London and South Coast—					
Total arrivals.. . . .	110,493	220,052	202,074	136,824	237,835
From Canada.. . . .	39,052	64,183	55,810	76,010	(*)
From United States.. . . .	71,331	150,336	144,253	55,843	(*)
Liverpool, Manchester, Hull, Goole and N.E. Coast—					
Total arrivals.. . . .	133,510	193,326	230,012	195,085	215,740
From Canada.. . . .	33,967	38,898	64,339	79,245	(*)
From United States.. . . .	99,518	153,928	165,373	115,690	(*)
Clyde and Scottish East Coast—					
Total arrivals.. . . .	147,858	149,328	150,196	157,834	137,582
From Canada.. . . .	58,836	48,525	47,334	62,564	(*)
From United States.. . . .	88,772	100,703	102,812	95,260	(*)
Bristol, Avonmouth and South Wales—					
Total arrivals.. . . .	12,918	11,895	13,601	14,864	20,800
From Canada.. . . .	5,930	3,850	4,251	8,075	(*)
From United States.. . . .	6,888	8,045	9,350	6,629	(*)
Irish ports—					
Total arrivals.. . . .	15,435	7,700	1,575	7,925	4,919
From Canada.. . . .	5,250	3,250	1,150	7,125	(*)
From United States.. . . .	10,185	4,450	425	800	(*)
Total United Kingdom arrivals.. . . .	420,214†	582,301	597,458*	512,532	616,876*
From Canada.. . . .	143,035	158,706	172,884	233,019	294,795
From United States.. . . .	276,694*	417,462	422,213	274,122	317,842

* Figures not yet available.

† These totals vary slightly from those given in the previous table.

From the foregoing figures it will be noted that the North of England on the average has taken 35 per cent of the total United Kingdom arrivals of canned apples during the past five years, followed by London and the South of England (33 per cent) and Scotland (about 27 per cent). Canadian sales over the four-year period for which such figures are available averaged 58,764 cases in the

London area, 54,315 cases in Scotland, and 54,112 cases in the North of England. Corresponding average figures for the United States were, respectively, 105,440 cases, 96,887 cases, and 143,627 cases. For the four years 1934 to 1938 inclusive Canada's share of the trade in both the London area and Scotland averaged around 36 per cent of the total arrivals from Canada and the United States, the corresponding average for the latter being 64 per cent. In the North of England, however, similar averages were 27 per cent for Canada and 73 per cent for the United States.

It will be noted that London and the South of England, by a slight margin, is the most important consuming area for canned apples from Canada, while the North of England, by a wider margin, is the best outlet for United States packs. Canadian sales in both areas show an upward trend at the expense of United States supplies, but in Scotland the sales from both sources have shown little change over this period. In the West of England also the Canadian product has made marked progress even though the quantities mentioned are not large.

MARKET REQUIREMENTS

Gallon apples are now a much-favoured product with the baking, confectionery, and restaurant trades in the United Kingdom, but retail sales to the consuming public are of minor importance. Due to their convenience and cheapness, the demand is likely to increase, although this development will be influenced, as hitherto, by conditions in the local fresh apple market from year to year, as well as by the prices quoted for the canned product.

The bulk of the Canadian shipments to this market are comprised of standard grade solid-pack apples from Nova Scotia, and to a small extent from Ontario. Limited quantities of choice grade pack from these two provinces, as well as from British Columbia, also find an outlet here. Competition is mainly from Oregon and California, whence both plain and sweetened packs are imported. In recent years United Kingdom canners have also shared in this trade, particularly in the South of England, when domestic apple crop conditions have been favourable, as was the case during the years 1934 to 1936 inclusive. The quantity produced, however, has been comparatively small, and has been taken up mainly by several dealers with old-established connections with the canners concerned. Canadian sales of sweetened apples are very limited in volume and are confined to Scotland, which takes a large portion of the sweetened pack sold in this market by United States canners, and to certain firms who require a choice pack of better quality than the average standard grade imported from Canada.

CANADIAN STANDARD PACK IMPROVED

The quality of choice pack apples from British Columbia compares favourably with that of United States supplies and therefore commands a higher price, but Canadian standard grade still sells largely on price. Formerly too little attention was paid by canners in the Dominion to the unsatisfactory and irregular appearance of Canadian standard grade. Frequently this pack had too much loose apple pulp between the whole segments, and these were often irregular or too large in size or were not uniform in shape and colour. Slices of eighths to twelfths (not quarters) are preferred by the baking trade, and of late this question seems to have received proper attention from Canadian canners selling in this market. The complaints now made more frequently against Canadian packs, however, concern the inclusion of bruised pieces and husks, resulting from improper coring.

Pacific Coast canners are able to concentrate on single varieties, of which Winesaps, Newtowns, and Spitzenbergs are the most favoured, and are thus able to produce a more uniform colouring, varying from pale white to golden depending on variety, than can be done in Nova Scotia, where a large number

of varieties may have to be used in one processing. As far as possible the same types of apples should be used, and green and brown pieces reduced to a minimum. Moreover, the concentration of one grade, such as Winesaps, assures the delivery of a uniform product throughout the season.

Continued improvement in the quality of Canadian canned apples will help to dissipate further the prejudice of certain users against the Canadian product due to their experience with it when the average quality was not as high as it is to-day. Canadian varieties which have been sold in the United Kingdom include Starks, Ben Davis, Baldwins, Greenings, and Jonathans. The English pack is comprised largely of Bramley Seedlings, of which the average standard of quality is good.

It should be noted, however, that sales of gallon apples in this market are not influenced or governed by the grading methods employed by Canadian and United States canners but are based largely on the reputation of the brand of the individual canner. Provided the product remains competitive in price, the tendency is for the average English buyer to keep to one or several brands once they have an established reputation. Canadian exporters of gallon apples, all of whom appear to be represented in the United Kingdom market at present, should therefore endeavour to maintain and even improve the quality of their pack from year to year.

EFFECTS OF REVISED DUTIES

The revised rates of duty for canned apples from the United States, established under the United Kingdom-United States Trade Agreement, which came into force on January 1 of this year, reduced the margins of preference formerly enjoyed by Canadian exporters in this market. The old and new rates for both sweetened and plain packs from both sources are as follows:—

Tariff Classification	Rate on Canadian Canned Apples	Rate on United States Canned Apples	
		Prior to Jan. 1, 1939	After Jan. 1, 1939
Apples preserved by chemicals or artificial heat but not including those preserved in sugar	Free	25 per cent ad val.	3s. 6d. per cwt.
Apples preserved in syrup	Free except for sugar duty on added sugar content	3s. 6d. per cwt. plus sugar duty on added sugar content	2s. 3d. per cwt. plus sugar duty on added sugar content

The new rate on plain solid-pack apples from the United States is equivalent to around 2s. 4d. per dozen as compared with 3s. 9d. to 4s. per dozen calculated at the old rate on c.i.f. prices of 15s. to 16s. per dozen.

MARKET CONDITIONS IN 1938-39

While, due to the carry-over from the previous year, initial Canadian offerings for the 1938 pack were not too favourably received by the United Kingdom trade, Canadian exporters on the whole found the market receptive. Prices for standard pack varied from 16s. per dozen 10's c.i.f. United Kingdom ports for October-November shipment, labelled and packed in wooden cases, to 16s. 9d. for July-September shipment. Allowances of 3d. per dozen for fibre cases and a further 3d. for unlabelled cans were granted. Prices of choice British Columbia apples were higher by from 1s. 6d. to 2s. per dozen c.i.f. during the year. Opening prices for United States choice packs plain in July, 1938, were around

15s. 4d., but due to a small pack in Oregon, by January of this year prices had risen to 16s. and 16s. 3d. for forward shipment. Limited sales at lower prices were reported during the first half of this year, but the quantities available for shipment were very restricted. Another factor favouring Canadian exporters was the absence of English competition, due to failure of the domestic apple crop for the second year in succession. Supplies from Nova Scotia in particular were therefore fairly well cleaned up by the end of March at satisfactory prices which required no later readjustment in favour of buyers.

Due to the decreased duties on United States gallon apples which went into force at the beginning of the year, some buyers expected Canadian c.i.f. prices would weaken to maintain the accustomed differential of around 3s. to 4s. per dozen, but this development had no appreciable effect, due to the strong market in the United States. Lately a few resales have been made in London by buyers who over-bought Canadian standard pack apples at around 17s. 6d. landed, but Canadian exports to the United Kingdom during the first five months of this year, amounting to about 111,300 cases as compared with around 99,100 cases for the corresponding period of 1938 and about 51,000 cases for the January-April period of 1937, have been well maintained. Current nominal wholesale prices for Canadian grades are reported at around 19s. to 21s. per dozen for standard, and 23s. for choice from British Columbia.

OUTLOOK FOR NEW CANADIAN PACK

In the absence of forward quotations on United States gallon apples for the ensuing season's pack, it is difficult at this stage to gauge the competitive position of Canadian standard grade for which forward quotations have just been announced of 14s. 9d. per dozen 10's c.i.f. United Kingdom ports labelled, in wooden cases, for October-December shipment, with fibre cases at 2½d. per dozen less. Last season's increased sales of Canadian gallon apples in this market took place under very favourable conditions, but increased competition from United States and United Kingdom canners—except in Scotland and the North of England, where the latter do not compete—coupled with the large domestic fresh apple crop anticipated, may be expected to affect the import demand. The coming season is, therefore, likely to be a difficult one as compared with last year. Despite the decreased duty on solid-pack apples from the United States, Canadian sales should be maintained providing they are at least 1s. 6d. and possibly 2s. per dozen lower in price on a landed duty-paid basis or between 10d. and 4d. per dozen lower c.i.f. than Oregon packs.

Limited forward quotations for English-packed apples of 16s. 3d. delivered have recently been announced, but good-quality Bramley Seedlings will probably command slightly higher prices before imported supplies reach the market. Most large buyers are reported to have sufficient stocks until October, when the new shipments will begin to arrive, but there is expected to be no embarrassing carry-over at that time. So far as sweetened packs are concerned the natural demand for this type in Scotland may be expected to encourage the continuance of this trade regardless of the effect of duties on the prices quoted by United States or Canadian canners for plain packs. The future position will be clearer when prices on United States packs are announced within the next three or four weeks, so that meanwhile certain buyers may not be disposed to make commitments for their requirements of Canadian despite the fact that the new season's prices should be attractive at their present level.

TRADE COMMISSIONERS ON TOUR

Mr. P. V. McLane, Canadian Trade Commissioner at Kobe, Japan, and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories.

Mr. Strong's itinerary is as follows:—

Montreal	Aug. 8 to 18	Halifax	Aug. 30
Fredericton and other points in N.B.	Aug. 21 to 23	Charlottetown	Sept. 1

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, Norway (whose territory includes Sweden, Denmark, and Finland), began a tour of Canada on August 8. Mr. Grew's itinerary is as follows:—

Toronto	Aug. 8 to 19	Ingersoll, Woodstock and Brantford	Aug. 29
Niagara Falls and Thorold	Aug. 21	Halifax	Sept. 4 and 5
St. Catharines	Aug. 22	Kentville	Sept. 6
Hamilton	Aug. 23	Saint John	Sept. 7
Guelph and Hespeler	Aug. 24	Fredericton	Sept. 8
Galt, Kitchener and New Hamburg	Aug. 25	Quebec	Sept. 11
Stratford	Aug. 26	Ottawa	Sept. 13 and 14
London	Aug. 28	Vancouver, New West- minster and Victoria	Sept. 19 to 30

Firms wishing to be brought in touch with the Trade Commissioners should communicate: for Toronto and Vancouver, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

TRADE OF TANGANYIKA TERRITORY IN 1938

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, June 13, 1939.—In 1937 the value of the trade of Tanganyika reached an all-time record, but towards the end of that year there was a sudden fall in the prices of most primary products. This was reflected in the trade returns for 1938, which showed a falling-off in total value of nearly £1,750,000, accounted for by a decline in total exports of over £1,250,000 and in imports of nearly £500,000. The visible balance of trade was, however, favourable.

The following table shows the trade figures for the past three years:—

	1936	1937	1938
Trade imports	£3,201,013	£3,782,574	£3,246,830
Government imports	155,847	141,521	201,745
Total imports	£3,356,860	£3,924,095	£3,448,575
Domestic exports	4,516,284	4,969,452	3,707,561
Re-exports	289,674	342,012	343,173
Total exports	£4,805,958	£5,311,464	£4,050,734
Total trade	8,162,818	9,235,559	7,499,309

The comparative figures of favourable trade balances for the past five years in pounds sterling and as percentages of the total imports were as follows: 1934, £513,404 (22); 1935, £734,088 (25); 1936, £1,449,098 (43); 1937, £1,387,369 (35); 1938, £602,159 (17).

IMPORT TRADE

In 1938 the total imports (exclusive of bullion and specie) decreased in value from £3,924,095 in 1937 to £3,448,575, a reduction of £475,520 or over 12 per cent. The chief sources of supply were: the United Kingdom, 26·9 (24·3 in 1937) per cent of total imports; Japan, 17·2 (23·8) per cent; Germany, 13·4 (13·4) per cent; Kenya and Uganda, 11·3 (9·3) per cent; United States, 7 (6·5) per cent; British India, 4·7 (5·4) per cent; Dutch East Indies, 3·4 (3·5) per cent; Holland, 3·1 (2·4) per cent; Belgium, 1·3 (1·8) per cent; France, 0·7 (0·7) per cent.

The principal items imported into Tanganyika in 1938, in order of importance, were as follows: cotton piece-goods, £592,024; machinery, £329,112; vehicles and parts, £305,237; gasolene, £305,237; apparel, £115,016; tobacco and cigarettes, £107,031; instruments and tools, £82,467; drugs and chemicals, £78,710; meal and flour, £73,823; sugar, refined, £73,503; coal oil, £67,239; cement, £63,935; tires and tubes, £51,491; hides and skins, £50,593; electrical goods, £49,648; coal, £46,210; grain, £45,672; wines and spirits, £43,260; paper manufactures, £36,191; fuel oil, £31,777; lubricating oil, £31,484; jute bags and sacks, £30,062; earthenware and glassware, £26,263; galvanized sheets, £26,138; artificial silk piece-goods, £25,133; ale and beer, £22,388; milk, condensed, £20,785.

PRINCIPAL SOURCES OF SUPPLY

Imports from the United Kingdom, while slightly below those of the previous year, showed a higher percentage of the reduced total. The most important item was again machinery, of which the United Kingdom is the chief supplier, followed by cigarettes, cotton piece-goods, motor vehicles and cycles, chemicals and drugs, iron and steel manufactures, whisky, cement, tires and tubes, tools and implements, iron tubes and pipes, paper and stationery, railway vehicles and parts, and wearing apparel.

The value of imports from Japan declined by £340,000 in 1938 as compared with 1937. This is largely accounted for by the carry-over of stocks from 1937. The only item which did not show a heavy decrease was cement. Of the total imports from Japan, valued at £593,000, cotton piece-goods accounted for £430,028. Other items in order of importance are wearing apparel, artificial silk piece-goods, cement, hosiery and underwear, earthenware and glassware, boots and shoes, and enamelled and hollow ware.

Germany retained her position among supplying countries. Shipments of German machinery increased, but most other items showed decreases. The principal items were machinery, tools and instruments, railway vehicles and parts, chemicals and drugs, motor vehicles and cycles, hoops for baling, ale and beer, railway ties, and electric wires and cables.

Imports from the United States showed a relative improvement, notwithstanding smaller supplies of coal oil and gasolene. Higher values were recorded for machinery, lubricants, and motor vehicles and spares.

IMPORTS FROM CANADA

Imports from Canada consisted mainly of motor trucks, of which 121 were imported with a value of £20,203 as compared with 186 in 1937 valued at £28,011, and motor cars to the number of 152 valued at £20,185 as compared with 184 in 1937 valued at £25,201. Other imports from Canada were: tires and tubes (motor), £4,889 (£3,593); industrial machinery, £1,074 (£444); plywood and pulpboard, £802 (£54); fresh fruit and vegetables, £408 (£229); fish, canned, £370 (£185); roofing products, £358 (£129); milk, condensed, £272 (£310); paper, packing, £262 (£97); ploughs, harrows, and cultivators, £219

(£336); provisions, tinned, £115 (£171); fruits and vegetables, preserved, £74 (£151); lamps and lanterns, £38 (£31); paints, £37 (£43); artisans' tools, £37 (£30); food flavouring, £21 (£4); cutlers' ware, £19 (£19); printed matter, £17 (£20); polishes, £17 (£3); canvas rubber-soled shoes, £15 (nil). Other imports, valued at £12 or less, included belt dressing, cotton manufactures, toilet soap, stationery, grindstones, tinned meats, toys, syrups, and tooth paste.

EXPORTS

Domestic exports decreased in value from £4,969,452 in 1937 to £3,707,561 in 1938, a reduction of £1,261,891 or 25·4 per cent. Chief countries of destination were: United Kingdom, 32·3 (29·9 in 1937) per cent of the total value of exports; Kenya and Uganda, 19·7 (16) per cent; Belgium, 10·5 (12) per cent; Germany, 7·7 (10·1) per cent; British India, 6·8 (8·4) per cent; United States, 4·7 (4·7) per cent; Holland, 3·8 (4·2) per cent; France, 3·7 (4·1) per cent; Zanzibar, 1·2 (1·2) per cent.

The United Kingdom took an increased proportion of the exports, the values of gold, sugar, tea, and cattle cake being higher than for the previous year, while the value of clarified butter exports was nearly doubled. The most serious fall was £140,000 in the value of groundnut exports, resulting from the almost total failure of the crop in 1938.

Belgium was the chief foreign purchaser, due to this market being the chief outlet for sisal. Germany increased her purchases of coffee, mica, and kapok, and was the main market in the new trade in crocodile skins. French purchases of sisal and cotton showed considerable increases, but the failure of groundnuts and the unattractive prices for copra affected the value of exports to France.

PRINCIPAL ITEMS OF EXPORT

Tanganyika's principal exports in 1938 were: sisal, £1,425,192 (£2,079,204 in 1937); gold, £589,135 (£526,277); coffee, £385,576 (£429,501); cotton, £380,304 (£603,594); hides, £160,028 (£224,907); rice, £90,960 (£90,652); ghee, £60,601 (£51,265); beeswax, £55,153 (£81,658); sesame, £53,317 (£55,939); tin ore, £50,447 (£49,690); skins, sheep and goat, £42,368 (£75,788); sugar, refined, £40,375 (£30,616); copra, £32,090 (£104,757); groundnuts, £31,198 (£257,807); gum, arabic and copal, £28,748 (£25,877); tobacco, £24,384 (£20,683); grain, other than rice, £20,614 (£35,761). As will be observed from the above figures, sisal, gold, coffee, and cotton constitute what might be termed the "big four" and represent a combined proportion of 75 per cent of the value of the 1938 exports. Other exports include raw sugar, ivory, tea, dried fish, onions, kapok, and cashew nuts.

GOVERNMENT ASSISTANCE

The Tanganyika Government at the end of the year revived and intensified the policy of active stimulation of native agriculture in all suitable areas and encouragement of recruitment of labour from the more remote parts. As the natives are particularly responsive to anything in the nature of a mass or communal movement, success may well be cumulative and permanent and go a long way towards offsetting the economic effects of market depressions and prevent the recurrence of periods of partial famine in many parts of the territory.

The import trade suffered in 1938 from the carry-over of a considerable stock of unsold but duty-paid goods. A marked recovery was, however, recorded in the last quarter of the year, which is a favourable portent for 1939, and the outlook on the whole is favourable.

TRADE OF THE GAMBIA IN 1938

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, July 7, 1939.—Statistics have recently been made public on the trade of the Gambia in 1938. Due to the very depressed nature of the ground-nut market during the past two seasons it was to be expected that the trade statistics would show a decline for 1938 as compared with the unusually high figure for 1937. The aggregate value of trade of the colony in 1938, exclusive of specie, amounted to £566,391, a figure which is £837,922 or 60 per cent lower than that for 1937. The 1938 figure represents the smallest aggregate trade since 1902.

EXPORTS

The total value of exports, including re-exports but not specie, was £288,951 as compared with £699,148 in 1937, a decrease of 59 per cent. The value of ground nuts exported in 1938 was only £246,691 as compared with £653,589 in 1937; the effect of this reduction on the economy of the country is obvious.

IMPORTS

The total value of imports, exclusive of specie, amounted in 1938 to £277,440 as compared with £705,165 in 1937, a decrease of 61 per cent and the lowest figure since 1901. The large carry-over of imported goods from 1937, coupled with the general shortage of money caused by the low price of ground nuts, resulted in this drastic curtailment of imports in 1938.

IMPORTS BY COUNTRIES AND MAIN CLASSES

The following table shows the principal supplying countries and the general classes of merchandise imported from each; a total of £3,356 for parcel post is not shown separately but is included in the total and the total for the United Kingdom:—

Imports into the Gambia, 1938

	Food, Drink and Tobacco	Raw Materials	Manufactured Goods	Total Merchandise
Total	£90,521	£6,851	£176,712	£277,440
United Kingdom	23,273	5,051	95,310	126,990
British Empire	44,528	338	8,928	53,794
India	207	....	3,139	3,346
Burma	9,791	....	19	9,810
Canada	4,578	6	1,390	5,974
Sierra Leone	27,432	11	1,311	28,754
Belgium	1,276	106	2,960	4,342
France	7,151	211	7,702	15,064
Germany	1,164	9	33,031	34,204
Italy	2,066	....	2,613	4,679
Japan	97	....	3,925	4,022
United States	856	924	7,919	9,699

The total for Canada was made up mainly of flour, £1,414; unmanufactured tobacco, £2,974; and motor vehicles, £978. Total imports from Canada in recent years have been: 1934, £3,167; 1935, £8,208; 1936, £10,452; 1937, £17,987.

PRINCIPAL COMMODITIES IMPORTED

Following is a summary of the principal articles imported in 1938, with the main countries of origin:—

Food, Drink, and Tobacco

Beer, etc.—Total, £2,733: United Kingdom and Denmark.

Biscuits, Ship's.—Total, £831: United Kingdom and France.

Confectionery.—Total, £1,581: United Kingdom and Belgium.

Flour.—Total, 7,827 cwts., £5,254: United Kingdom, £2,474; Canada, £1,414; France, £1,066.

Kola Nuts.—Total, £21,988: Sierra Leone.

Oils, Edible.—Total, £7,585: United Kingdom and other West African colonies.

Pickles, Sauces, etc.—Total, £2,125: Italy.

Rice.—Total, £13,478: Burma and Sierra Leone.

Spirits, Potable.—Total, £2,538: United Kingdom.

Sugar.—Total, £6,977: United Kingdom and France.

Tobacco, Unmanufactured.—Total, 89,453 lbs., £3,872: Canada, 62,994 lbs., £2,974; South Africa, 13,101 pounds, £380; Nyasaland, 7,014 lbs., £307; United States, 6,029 lbs., £193.

Tobacco, Manufactured.—Total, £6,315: United Kingdom.

Vegetables, Fresh.—Total, £1,705: Madeira and others.

Vegetables, Preserved.—Total, £477: Germany and United Kingdom.

Wine.—Total, £2,492: France and others.

Raw Materials

Lumber.—Total, 219·8 M., £5,217: United Kingdom and United States.

Manufactured Goods

Apparel.—Total, £9,629: United Kingdom and others.

Artificial Silk Goods.—Total, £1,200: Japan and United Kingdom.

Bags and Sacks.—Total, £2,094: India.

Cotton Piece-goods.—Total, £53,738: United Kingdom and others.

Woollen Goods.—Total, £563: United Kingdom.

Aeroplane Parts.—Total, £26,016: Germany.

Electrical and Telegraphic Apparatus.—Total, £3,440: United Kingdom mainly.

Machinery.—Total, £7,228: United Kingdom mainly.

Metal Manufactures.—Total, £22,125: United Kingdom, also Germany and Belgium.

Motor Cars.—Total, 33, £4,210: United Kingdom, 17, £2,230; Canada, 6, £978; France, 7, £689.

Bicycles.—Total, 101, £404: United Kingdom.

Cement.—Total, 1,277 tons, £3,410: United Kingdom mainly.

Chemicals.—Total, £1,734: United Kingdom mainly.

Fuel.—Total, £3,510: United Kingdom.

Medicines and Drugs.—Total, £3,433: United Kingdom mainly.

Mineral Oil.—Total, £13,064: United States, United Kingdom, and others.

Rubber Tires and Tubes.—Total, £843: United Kingdom.

Rubber Goods, Other.—Total, £81: United Kingdom.

Soap.—Total, £3,180: United Kingdom.

Spirits, Perfumed.—Total, £680: France and United Kingdom.

Toys and Games.—Total, £413: United Kingdom.

CEYLON'S IMPORT OF GOVERNMENT STORES

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.36 Canadian)

Calcutta, July 5, 1939.—The Stores Department of the Government of Ceylon constitutes one of the principal channels through which imported goods enter the country. Ceylon is still a colony and, although its government is of an advanced type, administration is based for practical purposes on comparatively simple lines. These take the form of purchases of practically all types of stores and equipment for use by various government departments and of the listing of approved standards for commodities and of responsible suppliers; purchases being generally made by tender within these limits.

The Stores Department of the Ceylon administration controls the bulk of government purchases both from domestic and foreign sources. In various instances other departments are empowered to place contracts for technical assistance, labour, and materials on their own account; but in such instances a close measure of liaison is still maintained with the Government Storekeeper,

both through consultation as to materials and their suppliers as well as through the Government Tender Board, on which the departments concerned and the Stores Department are customarily represented.

It is a policy of the Ceylon Stores Department to purchase goods of domestic production when available at competitive prices and in satisfactory quality. Adoption of this course has led in recent years to a marked extension in the local manufacture of various materials for government use and in a large increase in the proportion of government expenditure within the island as compared with expenditures in other countries. Ceylon is as yet a country where industrialization has made slow progress and government supplies must accordingly still be procured from abroad in a large number of instances. A further feature of this branch of Ceylon's total import business is the important position held by the Crown Agents in London as contractors to various government departments. Their intimate connection with all colonial, and many other, governments and with manufacturers of standard types of government stores throughout the world gives them unusual advantages in obtaining business of this nature; while their unquestionable reliability and the facilities which they can provide with respect to payments, continuity of supplies, and similar matters of vital interest in such a trade are of the highest value. Participation by the Crown Agents in the supply of materials to the Ceylon Government need in no way interfere with the latter's purchase of Canadian materials. It may in some instances, however, necessitate sales through this agency alone and to the exclusion of other representatives.

IMPORTS

Ceylon customs returns contain a special section in which imports of all government stores, except those for the use of the defence authorities, are separately itemized. These figures have been extracted from the records of total imports into the colony. For the calendar year 1938 the record shows limited purchases of a variety of foodstuffs, drink, and tobacco. The trade in raw and semi-manufactured articles is considerably more important, including large quantities of coal, asphalt, teakwood, railway sleepers, and vegetable oils. Purchases of manufactured products are even more extensive and include steel bars and rods, pipes, tubing, and a wide range of miscellaneous iron and steel products, copper wire, scientific instruments and appliances, telegraph and telephone equipment of numerous types, many sorts of machinery, cotton piece-goods, drugs and medicines, railway locomotives and coaches, and printing and other papers. No precise value can be put on this business. However, the colony's purchases of railway sleepers were valued in 1938 at over Rs.1,000,000, those of locomotives and railway rolling stock at a similar figure, those of asphalt at Rs.880,000, and those of telephone and telegraph appliances and equipment at Rs.1,500,000. These figures indicate the importance of this trade.

Reports issued by the Government Storekeeper refer in even greater detail to supplies purchased on behalf of various government departments and to the value of the business handled by this branch of the administration, apart from contracts placed directly by others. Details are given as to the utilization of goods of home manufacture, production of many of these goods having been originally encouraged and being now dependent on the support of the Stores Department. Similar reference is also made to the use of articles supplied by the Prisons Department. Further data cover those products of domestic manufacture for which the department places annual contracts. The report then details the principal commodities covered by its recent operations and refers to the value of all this business as well as to the proportions purchased through principal agencies. The total cost of stores purchased through the Crown Agents in London and through agencies in Bombay and Calcutta in 1938 was Rs.5,297,975, while purchases made locally involved an expenditure of Rs.2,361,277.

OPPORTUNITIES FOR CANADIAN EXPORTERS

The Ceylon Government Storekeeper's list of the principal items of stores issued to other departments includes numerous commodities which might be supplied by Canadian manufacturers or exporters. Some of the outstanding ones are:—

Paper, various kinds	Flour, oats and bran
Wood pulp boards	Fish oils
Barbed wire	Carbon paper
Belting, various kinds	Gas and water tubing
Hardware and tools, all types	Insulated wire
Tires and tubes	Paints

One potential obstacle to the development of export business to Ceylon in goods which might be purchased by the Stores Department is a provision in the colony's tariff that all imports of government stores are admissible without payment of duty. While the provision apparently affects to some extent the advantages which many Canadian and other British products normally enjoy when imported at preferential rates in the course of ordinary commercial transactions, reference to the origin of most of this business reveals that the handicap is negligible in practice.

Canadian exporters who may be interested in extending existing sales to Ceylon or in participating in the trade in government stores should note especially the references to the position of the Crown Agents in this trade. They are invited as well to communicate with the Canadian Trade Commissioner, Calcutta, through whom information can be obtained from competent Ceylon authorities regarding sales opportunities in that territory.

FOREIGN TRADE OF FINLAND IN 1938

RICHARD GREW, CANADIAN TRADE COMMISSIONER

(One Finnish mark equals 2·2 cents Canadian; one metric ton equals 2,204 pounds)

Oslo, June 30, 1939.—The value of the external trade of Finland declined about 9 per cent in 1938 from the level of 1937 but, in spite of this decline, was higher than in any other previous year.

The following table shows the value of Finnish imports, exports, and total foreign trade, and excess of exports or imports, for the years 1931 to 1938 inclusive:—

Value of Finland's Foreign Trade, 1931 to 1938

	Imports	Exports	Total	Excess of Exports or Imports
	Millions of Marks			
1931..	3,465	4,457	7,922	992 (e)
1932..	3,502	4,631	8,133	1,129 (e)
1933..	3,928	5,298	9,226	1,370 (e)
1934..	4,776	6,226	11,002	1,450 (e)
1935..	5,344	6,240	11,584	896 (e)
1936..	6,369	7,223	13,592	854 (e)
1937..	9,306	9,380	18,686	74 (e)
1938..	8,612	8,431	17,043	181 (i)

Imports in 1938 were practically unchanged in volume from 1937 but, due to lower prices, declined in value by 694 million marks or about 7·5 per cent from the 1937 value. On the other hand, exports declined in volume by 11 per cent but, due to the steadier prices of export commodities, the decline in their value was just over 10 per cent, amounting to 949 million marks.

It will be seen from the above table that there was an import surplus in 1938 in contrast with export surpluses in each of the other years shown. It was the first year since 1929 in which imports exceeded exports. Of last year's

import surplus of 181 million marks, imports of gold accounted for 119 million marks. Further, of total imports during the year, imports of goods for productive requirements amounted to about 5,500 million marks and of these, goods of lasting value totalled about 3,300 million marks. In the final analysis, therefore, the adverse visible balance of trade cannot be considered so unsatisfactory as it might at first appear.

The decline of 694 million marks in the value of imports was mainly due to a falling-off in the imports of raw materials and a decline in their prices. The value of this class of imports showed a decrease of 728 million marks or almost 17 per cent. Imports of machinery also declined in value by over 80 million marks or about 4 per cent. On the other hand, imports of goods for consumption increased slightly in value, foodstuffs and luxuries by 27 million marks, and other consumption goods by 88 million marks.

The decline in value of exports, amounting to over 948 million marks, was mainly the result of a smaller export of timber and of the considerable fall in the price of sawn timber. The value of exports of timber and wooden articles was 795 million marks or 19 per cent less than that of the previous year. Exports of pulp and paper products decreased by nearly 172 million marks or almost 5 per cent, but the reduction would have been much greater if the average prices had not been higher than in 1937. This was due to the fact that contracts are made for one or two years ahead, and the fall in prices had not yet made itself felt.

The following table shows the indices (1935 equals 100) for both volume and value of Finnish imports and exports for the past six years:—

Volume and Value Indices of Foreign Trade

	Imports		Exports	
	Volume	Value	Volume	Value
1933..	72	74	87	85
1934..	90	89	96	100
1935..	100	100	100	100
1936..	121	119	111	116
1937..	144	174	117	150
1938..	138	161	102	135

IMPORTS

Although the value of imports in 1938 fell by 694 million marks as compared with the previous year, it was 2,243 million marks greater than that of 1936.

The following table shows the value of imports of the principal groups of commodities during the last two years:—

Imports by Commodity Groups

	1937	1938
	Million Marks	
Live animals..	14.1	11.9
Food obtained from animals..	30.6	38.9
Cereals and their products..	530.3	404.2
Fodder and seed..	182.7	191.7
Fruit, vegetables, live plants, etc..	172.2	206.5
Colonial produce and spices..	494.7	585.5
Preserves, in hermetically sealed packages..	6.3	7.1
Beverages..	64.6	74.6
Spinning materials..	507.9	370.2
Yarns and ropes..	235.2	199.9
Cloth..	432.8	424.0
Various textile products..	181.4	199.7
Timber and wooden articles..	106.3	94.6
Bark, cane, etc., and articles made thereof..	36.0	34.3
Pulp, cardboard and paper, and articles thereof..	39.1	44.0
Hair, bristles, feathers, bones, etc., and articles thereof..	37.9	45.5
Hides and skins, leather goods, furs, etc..	258.9	195.6

Imports by Commodity Groups—Concluded

	1937	1938
	Million Marks	
Metals and metal goods.. . . .	1,681.6	1,420.5
Machinery and apparatus.. . . .	1,054.2	1,120.3
Means of transport.. . . .	612.8	482.9
Musical instruments, instruments, clocks and watches.. . . .	83.9	105.4
Minerals and articles thereof.. . . .	824.8	661.1
Asphalt, tar, resins, rubber and products thereof.. . . .	260.6	204.7
Oils, fats and waxes, and products thereof.. . . .	521.9	503.3
Ethers, alcohols not specifically described, volatile oils, cosmetics, etc..	20.4	18.2
Colours and dyes.. . . .	101.2	96.4
Explosives, firearms and materials, fuses and fireworks.. . . .	11.6	13.3
Chemical elements and combinations thereof, and drugs.. . . .	324.0	314.7
Fertilizers.. . . .	225.2	226.4
Literature and works of art, educational materials, office fittings, etc..	76.8	82.1
Articles not specified elsewhere.. . . .	176.4	234.8
Total.. . . .	9,306.4	8,612.3

The largest decline in imports occurred in the group metals and metal goods, which decreased in value by 241 million marks. Imports of minerals decreased in value by 163 million marks, while those of spinning materials, means of transport, and cereals declined in value by 137 million marks, 130 million marks, and 126 million marks respectively. The most noteworthy gains in value were in imports of colonial produce, machinery, and fruits, which increased by 97 million marks, 66 million marks, and 34 million marks respectively.

EXPORTS

Finnish exports are confined to a comparatively small number of commodity groups. The following table shows the value of exports of the principal groups for the years 1937 and 1938:—

Exports by Commodity Groups

	1937	1938
	Million Marks	
Total.. . . .	9,379.7	8,431.1
Food obtained from animals.. . . .	612.4	698.7
Yarns and ropes.. . . .	68.8	49.9
Cloth.. . . .	45.0	28.2
Timber and wooden articles.. . . .	4,156.8	3,361.4
Pulp, cardboard and paper, and articles thereof.. . . .	3,629.6	3,457.7
Hides and skins, leather goods, furs, etc..	136.0	107.2
Metals and metal goods.. . . .	276.3	277.4
Machinery and apparatus.. . . .	52.3	33.6
Minerals and articles thereof.. . . .	110.2	101.9
Explosives, firearms and materials, fuses and fireworks.. . . .	27.9	39.5
Re-exports.. . . .	97.2	63.1

Severe declines occurred in the two principal items of Finnish export, namely the timber group and the pulp and paper group. The value of the exports of the former was reduced by 795 million marks, while that of the latter decreased by 172 million marks. The decline in value of exports of the hides and skins group amounted to 29 million marks. These three items alone account for a reduction in value of imports of 996 million marks, which is 82 million marks in excess of the total decrease of all exports. Thus, on the average the value of other groups of exports had a small increase. The most noteworthy increases were in exports of food obtained from animals, the value of which advanced by 86 million marks, and in means of transport, which rose 16 million marks in value.

As regards volume, the following table shows the quantities of the principal commodities exported during 1937 and 1938:—

Volume of Exports

		1937	1938
Sawn timber..	Standards	1,027,000	865,000
Plywood..	Tons	171,000	155,000
Woodpulp..	Tons	291,000	225,000
Sulphite cellulose..	Tons	824,000	670,000
Sulphate cellulose..	Tons	356,000	352,000
Cardboard..	Tons	98,000	69,000
Paper..	Tons	518,000	464,000
Butter..	Tons	14,000	17,100
Cheese..	Tons	6,600	6,800
Eggs..	Tons	8,900	7,900

DISTRIBUTION OF TRADE

No great change took place in the trade of Finland during 1938 as regards the principal countries of supply and purchase as compared with the previous year. The following table shows the trade with various countries or areas in percentages of total value:—

	Imports		Exports	
	1937 Per Cent	1938 Per Cent	1937 Per Cent	1938 Per Cent
Belgium..	5.6	5.2	4.5	3.1
Denmark..	4.9	4.5	2.6	3.2
Germany..	19.5	20.0	13.1	15.2
United Kingdom..	22.2	21.6	44.7	43.9
Holland..	4.4	4.3	3.7	4.4
Sweden..	12.0	13.0	4.9	4.8
Other European countries..	16.8	16.4	12.3	10.2
Asia..	1.3	1.5	1.7	1.4
Africa..	0.2	0.2	2.6	2.2
United States..	8.4	9.0	7.9	9.2
Other North American countries..	0.6	0.8	0.1	0.1
South America..	4.0	3.3	1.6	1.9
Australia..	0.1	0.2	0.3	0.4

Perhaps the most interesting feature of the above table is the comparison between the figures for the United Kingdom and Germany. The share of the United Kingdom has decreased both as regards imports and exports, whereas Germany's share has increased in both instances.

TRADE OF PERU IN 1938

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(Values are in soles; approximately 5.45 soles equal U.S.\$1)

Lima, July 11, 1939.—Peru's balance of trade continued to be favourable during the calendar year 1938, but showed a large decline in value as compared with previous recent years. Total trade in 1938 amounted in value to soles 602,287,375 as compared with soles 600,645,969 in 1937. However, it is significant that the value of imports increased from soles 235,205,523 in 1937 to soles 260,158,735 in 1938, whereas exports fell from soles 365,440,446 to soles 342,128,640. On the other hand, the volume of both fell considerably; that of imports from 570,399 metric tons in 1937 to 550,669 metric tons in 1938 and that of exports from 2,775,978 metric tons in 1937 to 2,343,326 metric tons in 1938, losses of 19,730 and 432,652 metric tons respectively.

The following table, covering the years 1930 to 1938 inclusive, indicates Peru's trading position during that period:—

	Imports Soles	Exports Soles	Excess of Exports Soles
1930	140,261,247	235,985,304	95,724,057
1931	102,478,580	197,417,166	94,938,586
1932	76,088,927	178,529,111	102,440,184
1933	107,436,810	256,969,344	149,532,534
1934	171,252,552	305,093,677	133,841,125
1935	181,065,523	308,923,449	127,857,926
1936	200,500,404	335,812,411	135,312,007
1937	235,205,523	365,440,446	130,234,923
1938	260,158,735	342,128,640	81,969,905

IMPORTS BY COUNTRIES

As has been the case for many years, the United States was the principal supplier of products imported into Peru in 1938. Imports from the United States were valued at soles 89,227,426 out of a total value of soles 260,158,735. Germany was second in importance as a source of supplies, imports from Germany being valued at soles 52,823,065. Next were the United Kingdom at soles 26,345,199 and Argentina at soles 15,900,644. Imports from Canada were valued at soles 4,914,590.

The following table shows the value of imports into Peru from principal supplying countries in 1938:—

Country	Soles	Country	Soles
United States.. . . .	89,227,426	Chile	5,224,698
Germany	52,823,065	Canada	4,914,590
United Kingdom.. . . .	26,345,199	British India	4,444,918
Argentina.. . . .	15,900,644	Ecuador	4,206,247
Japan	8,683,775	Switzerland.. . . .	3,508,783
Belgium	7,228,523	Siam	3,039,241
France	6,968,574	Sweden	2,947,625
Italy.. . . .	6,626,886	Czecho-Slovakia	2,759,603
Netherlands	5,247,510	Norway	1,231,997

EXPORTS BY COUNTRIES

Exports from Peru in 1938 were valued at soles 342,128,640. The United States was also the principal purchaser of Peruvian products, exports to the United States being valued at soles 91,705,974. Exports to the United Kingdom, the second largest market, were valued at soles 68,401,299. Germany, in third place, purchased Peruvian goods to the value of soles 36,089,113 and was followed by Argentina with purchases valued at soles 26,656,802.

The following table shows the value of exports from Peru in 1938 to principal purchasing countries:—

Country	Soles	Country	Soles
United States.. . . .	91,705,974	Uruguay.. . . .	7,252,886
United Kingdom.. . . .	68,401,299	Brazil.. . . .	6,609,605
Germany	36,089,113	Bolivia	4,304,478
Argentina	26,656,802	Netherlands.. . . .	3,722,489
France	21,830,184	Japan.. . . .	2,034,463
Chile.. . . .	20,579,441	To order.. . . .	1,986,387
Canada.. . . .	16,700,392	Sweden	1,901,772
Belgium.. . . .	12,802,906	Denmark.. . . .	1,658,852
Aruba	8,080,677	Ireland.. . . .	1,598,290

DETAILS OF IMPORTS

The following table shows the values of the 45 principal import items in 1938 as shown in the Peruvian trade returns, together with comparative figures for 1937:—

Commodity	1938 Soles	1937 Soles
Wheat.. . . .	15,144,424	22,814,626
Machines for other industries, and those for the arts and trades	10,739,790	7,472,818
Repairs for machinery of all kinds.. . . .	8,114,522	6,903,087
Automobile trucks	7,705,254	7,239,263
Machinery for the development of agriculture, dairying and mining	6,907,612	5,137,152
Rice, hulled	6,580,280	2,165,733
Passenger automobiles	6,230,553	6,591,753
Lumber, ordinary; oregon pine, white pine, red pine, etc., sawn in boards, etc.	5,346,788	4,721,539
Iron and steel in sheets, plates, angles and beams, not perforated, etc.	4,441,300	4,800,608
Piping and tubing, other	3,806,740	4,590,253
Empty bags and new or used packings	3,389,848	4,291,283
Milk, white, evaporated or condensed, and in powder	3,238,121	2,525,420
Tinplate, flat, not painted or varnished	3,026,130	2,536,228
Tires for bicycles, automobiles or trucks	2,846,881	2,359,274
Airships, accessories and repairs for their exclusive use	2,674,017	2,475,120

Commodity	1938 Soles	1937 Soles
Dyed fabrics up to 40 threads of 70 to 200 grams per sq. metre	2,629,557	2,217,672
Repairs for automobiles, omnibuses, trucks, motorcycles and bicycles	2,576,339	2,150,694
Dynamite and other similar explosives	2,440,410	1,909,304
Autocars known as omnibuses and ambulances	2,280,595	1,090,992
Machinery for industry derivative of agriculture, mining and shipping	2,158,775	1,250,222
Telegraphic transmitting and receiving apparatus	2,155,937	2,193,302
Artificial silk in the thread; in cones or skeins for the manufacture of hosiery and knitted goods	2,148,829	1,994,293
Goods not tariffed; considered as baggage	1,984,888	100,634
Fabrics, dyed, wholly or in part, up to 40 threads and over 200 grams, per square metre	1,971,920	1,041,341
Fabrics, stamped up to 40 threads and from 70 to 200 grams per square metre	1,913,767	1,641,876
Tools, not specified and articles not specified, for agriculture, zootechnic and mining industry	1,911,212	1,583,117
Fertilizers, chloride, for agriculture, etc., and other mineral fertilizers	1,835,505	3,558,211
Oils, petroleum, used as lubricants in packages over 15 kilos	1,651,066	1,290,832
Box shooks	1,593,718	1,668,468
Rails and their parts, etc.	1,455,885	1,201,024
Colourings derived from tar	1,444,885	1,382,471
Fabrics of more than 16 threads and over 185 grams and up to 350 grams per square metre	1,415,172	1,058,550
Hosiery and stockings over 15 per cent adorned and those mercerised	1,363,426	1,105,647
Paraffin, industrial, whole, broken or in paste	1,356,877	1,623,313
Typewriters and repair parts	1,346,927	1,076,718
Hosiery of cotton	1,324,389	1,069,628
Newsprint	1,290,762	1,618,741
Fruit, fresh, of all kinds	1,264,990	903,871
Tools and articles, unspecified, for the arts and trades	1,244,171	1,085,196
Leathers of all kinds, patented, tanned, etc.	1,207,047	1,217,571
Gasoline oils, tractoline or gas oil	1,134,586	533,005
Dredges, shovels, and mechanical scrapers	1,122,143	7,410
Machines for embroidering, sewing or weaving, pedal or hand	1,053,137	968,674
Railway freight cars and their repair parts	1,044,740	614,984
Insecticides and fungicides	1,013,612	708,165

ANALYSIS OF EXPORT TRADE

A decline in both quantity and value occurred in Peruvian exports in 1938 as compared with those of 1937. They amounted to 2,343,326 metric tons valued at soles 342,128,640 as compared with 2,775,978 metric tons valued at soles 365,440,446 in 1937. The following table shows the values of the principal products exported in 1938, with comparative figures for 1937:—

Commodity	1938 Soles	1937 Soles
Sugar, white, granulated	3,911,882	4,584,318
Sugar, raw (brown)	20,929,819	27,013,481
Cotton, Acala, white	2,577,998	1,731,754
Cotton, Pima, white	4,779,693	4,539,358
Tanguis, white	51,334,004	79,881,495
Cottonseed	1,641,212	2,194,964
Cottonseed cake	2,271,600	2,489,099
Wool, sheep, washed	1,524,670	4,754,051
Wool, sheep, unwashed	1,616,597	1,775,512
Wool, alpaca, unwashed	7,234,848	8,537,654
Metallic minerals, raw	10,171,538	8,092,980
Metallic concentrates	14,516,015	15,215,157
Precipitates, gold and silver	1,631,718	981,253
Matte, copper, with silver and gold	57,889,997	50,866,084
Matte, of gold, below 0.850 with silver	11,749,002	6,031,989
Matte, of silver, below 0.850 with gold	2,827,212	884,261
Matte, of bismuth	1,564,927	556,611
Matte, of electrolytic lead	4,978,856	4,540,679
Petroleum, crude	73,499,240	83,371,446
Gas oil	2,003,057	1,470,588
Gasoline	32,060,461	27,500,679
Kerosene	6,476,361	6,280,583
Combustible residue	1,686,571	1,792,238
Gold bars	6,421,430	694,448
Coffee	1,736,493	1,876,413
Guano (fertilizers)	2,821,273	339,784

TRADE WITH CANADA

EXPORTS

During the period under review Peru's exports to Canada totalled soles 16,660,942 in value and consisted of the following:—

	Quantity		Value Soles
Raw sugar.. . . .	513,553	gross kilos	51,417
Petroleum, crude, high cold test.. . . .	158,097,660	net kilos	9,854,985
Petroleum, crude, low cold test.. . . .	17,228,730	net kilos	1,015,354
Gasoline.. . . .	46,859,140	net kilos	5,739,117
Other products.. . . .	....		69

IMPORTS

The following list shows the principal commodities imported into Peru from Canada in 1938, the total value of the imports of each commodity, the value of the imports from Canada, and the values of imports from three leading supplying countries:—

Cotton Waste.—Total, S/.135,995: Canada, S/.15,258; United Kingdom, S/.80,092; United States, S/.37,605; Germany, S/.3,039.

Silk Stockings of Natural Silk (with or without Inferior Materials).—Total, S/.608,985: Canada, S/.11,674; Germany S/.375,758; United States, S/.156,900; Japan, S/.47,389.

Leather, Prepared.—Total, S/.1,207,047: Canada, S/.10,414; Germany, S/.523,323; United States, S/.341,958; Hungary, S/.117,909.

Skins, Tanned or Semi-tanned, Other.—Total, S/.273,831: Canada, S/.71,712; France, S/.135,530; Germany, S/.40,898; United States, S/.11,416.

Tinplate for the Manufacture of Containers.—Total, S/.194,776: Canada, S/.10,933; United States, S/.159,332; Germany, S/.21,387; United Kingdom, S/.3,124.

Chains (over 10 mms. in Diameter).—Total, S/.110,367: Canada, S/.12,412; United Kingdom, S/.62,326; United States, S/.23,289; Germany, S/.12,085.

Piping and Tubing other than Cast Iron for Water Supply and Drainage.—Total, S/.3,806,740: Canada, S/.157,469; Germany, S/.1,222,152; United States, S/.943,605; Czechoslovakia, S/.843,463.

Nails (over 25 mms. long), Galvanized or not Galvanized.—Total, S/.439,218: Canada, S/.20,222; United States, S/.152,096; Germany, S/.148,888; Belgium, S/.75,616.

Lamps of All Kinds, except Electric.—Total, S/.36,434: Canada, S/.9,255; Germany, S/.32,397; United States, S/.3,080; Sweden, S/.1,056.

Stones, Circular, for Sharpening Purposes.—Total, S/.52,719: Canada, S/.11,874; United States, S/.23,235; Germany, S/.8,892; United Kingdom, S/.8,084.

Lumber, Ordinary, in Boards, Planks, etc.—Total, S/.5,346,788: Canada, S/.640,209; United States, S/.4,413,167; Chile, S/.253,778; Yugoslavia, S/.35,798.

Lumber, Planed, Grooved, and Tongued, etc.—Total, S/.169,831: Canada, S/.44,586; United States, S/.124,221; Chile, S/.987.

Railway Sleepers.—Total, S/.832,651: Canada, S/.15,810; United States, S/.585,824; Chile, S/.229,430.

Box Shooks.—Total, S/.1,593,718: Canada, S/.848,799; Chile, S/.494,594; United States, S/.250,277.

Paints, Enamel.—Total, S/.157,222: Canada, S/.12,923; United States, S/.95,022; Germany, S/.32,672; Japan, S/.9,216.

Paints Prepared with Oil (including Floor Paints).—Total, S/.762,392: Canada, S/.67,521; United States, S/.338,806; United Kingdom, S/.263,289; Germany, S/.42,181.

Petroleum Oils Used as Lubricants, in Receptacles over 15 Kilograms.—Total, S/.1,651,066: Canada, S/.49,101; United States, S/.1,530,554; United Kingdom, S/.58,104; Germany, S/.8,905.

Inner Tubes of Rubber or Elastic Gum, for Bicycles, Motor-cars or Lorries.—Total, S/.237,654: Canada, S/.97,903; United States, S/.100,708; United Kingdom, S/.13,161; Germany, S/.11,255.

Tires for Bicycles, Motor-cars and Lorries, and Inner Tube Protectors.—Total, S/.2,846,881: Canada, S/.1,128,540; United States, S/.1,218,849; United Kingdom, S/.188,481; Germany, S/.105,466.

Calendars, Engraved or with Frames.—Total, S/.20,536: Canada, S/.813; United States, S/.6,720; Germany, S/.6,630; Japan, S/.3,259.

Bags of Sulphite, Kraft, or Similar Paper.—Total, S/.86,540: Canada, S/.23,565; United States, S/.53,696; United Kingdom, S/.2,946; Germany, S/.2,760.

Paper, Single-coloured of any Kind not Specially Mentioned.—Total, S/.102,466: Canada, S/.14,817; Germany, S/.50,328; United States, S/.15,946; Czecho-Slovakia, S/.6,965.

Paper on Reels.—Total, S/.706,681: Canada, S/.62,303; Sweden, S/.492,861; Germany, S/.59,051; Norway, S/.36,974.

Newsprint.—Total, S/.1,290,762: Canada, S/.180,481; Germany, S/.602,559; Norway, S/.162,196; Sweden, S/.93,545.

Wallpaper, All Kinds.—Total, S/.113,263: Canada, S/.15,003; Belgium, S/.30,201; Germany, S/.18,748; United Kingdom, S/.16,256.

Paper for Measuring and Registering Machines.—Total, S/.29,416: Canada, S/.11,151; United States, S/.10,926; Germany, S/.4,012; United Kingdom, S/.1,352.

Cordage over 9 mms. in Diameter.—Total, S/.638,014: Canada, S/.54,744; Philippines, S/.258,366; United Kingdom, S/.200,566; Belgium, S/.45,117.

Brushes of Animal or Vegetable Material, for Artificers.—Total, S/.121,871: Canada, S/.27,377; United States, S/.40,082; Germany, S/.37,267; United Kingdom, S/.16,276.

Packings of All Kinds.—Total, S/.427,438: Canada, S/.24,811; United States, S/.257,367; United Kingdom, S/.109,681; Germany, S/.21,593.

Motor Lorries and Chassis Thereof, also Trailers.—Total, S/.7,705,254; Canada, S/.26,612; United States, S/.7,434,973; Germany, S/.154,251; United Kingdom, S/.83,354.

Motor Vehicles, Touring, Weighing not over 2,000 Kilos.—Total, S/.6,230,553: Canada, S/.16,858; United States, S/.5,426,776; Germany, S/.544,513; France, S/.106,072.

Railway and Tramway Passenger Cars and Parts.—Total, S/.573,445: Canada, S/.77,947; Switzerland, S/.190,699; United States, S/.158,284; Germany, S/.109,399.

Transmission Belts and Ropes.—Total, S/.592,506: Canada, S/.25,552; United States, S/.301,839; United Kingdom, S/.136,806; Germany, S/.62,597.

Machinery for the Development of Agriculture, Dairying and Mining.—Total, S/.6,907,612: Canada, S/.34,057; United States, S/.6,114,442; Germany, S/.384,307; United Kingdom, S/.251,161.

Machinery for Industries Directly Connected with Agriculture, Mining and Shipping.—Total, S/.2,158,775: Canada, S/.97,615; United States, S/.982,145; Germany, S/.587,157; United Kingdom, S/.294,008.

Machinery for Other Industries in General.—Total, S/.10,739,790: Canada, S/.50,061; United States, S/.4,514,131; Germany, S/.3,937,493; United Kingdom, S/.1,013,274.

Machinery for Sewing, Embroidering or Weaving, Pedal or Hand-driven, and Parts.—Total, S/.1,053,137: Canada, S/.101,975; United States, S/.700,674; Germany, S/.191,119; Sweden, S/.34,168.

Spare Parts for All Kinds of Machinery.—Total, S/.8,114,522: Canada, S/.92,673; United States, S/.4,504,563; United Kingdom, S/.1,533,433; Germany, S/.1,093,418.

Valves of All Kinds, not over 7 cms. in Diameter at Mouth.—Total, S/.332,272: Canada, S/.36,938; United States, S/.196,437; Germany, S/.54,267; United Kingdom, S/.29,888.

Electrical Accessories Such as Cut-outs, Interceptors, etc.—Total, S/.694,439: Canada, S/.25,315; United States, S/.367,682; Germany, S/.223,416; United Kingdom, S/.35,034.

Wire, Cord or Cable with one or more Poles, up to 3 mms. Diameter, Covered with Any Material Except Silk or Lead.—Total, S/.404,626: Canada, S/.24,175; United States, S/.204,543; Germany, S/.108,151; United Kingdom, S/.24,462.

Meters, Electric Light, for Domestic Use.—Total, S/.102,232: Canada, S/.26,171; Germany, S/.52,607; Switzerland, S/.14,984; United States, S/.3,558.

Whisky in Bottles.—Total, S/.773,775: Canada, S/.19,699; United Kingdom, S/.745,236; United States, S/.7,556; Sweden, S/.805.

Meat, Fresh or Dried, Preserved in Any Way.—Total, S/.134,324: Canada, S/.21,952; Chile, S/.58,973; Brazil, S/.20,123; United Kingdom, S/.16,227.

Milk, Whole, Evaporated or Condensed, also Milk in Powder Form for Feeding Children.—Total, S/.3,238,121: Canada, S/.105,329; Netherlands, S/.2,193,906; United States, S/.346,214; Norway, S/.332,869.

Butter, Pure.—Total, S/.344,348: Canada, S/.32,402; Argentina, S/.146,888; Denmark, S/.50,219; United Kingdom, S/.37,995.

Salmon.—Total, S/.93,046: Canada, S/.17,103; United States, S/.55,508; Japan, S/.18,324; United Kingdom, S/.1,511.

Calcium Chloride and Hypochlorite.—Total, S/.168,273: Canada, S/.19,813; Germany, S/.81,218; Italy, S/.40,830; Poland, S/.17,290.

Sodium Cyanide, for Industrial Use (Mining).—Total, S/.645,750: Canada, S/.13,988; Germany, S/.385,919; United States, S/.180,116; France, S/.55,081.

Rubber Gloves.—Total, S/.48,466: Canada, S/.10,810; United States, S/.13,820; Germany, S/.10,562; France, S/.2,653.

Linoleum and Floor Oilcloth.—Total, S/.71,320: Canada, S/.11,236; United States, S/.50,777; United Kingdom, S/.4,442; Germany, S/.2,337.

JAPANESE CORPORATION PROFITS

C. M. CROFT, COMMERCIAL SECRETARY

(One yen equalled approximately 28 cents Canadian in period reviewed)

Tokyo, July 1, 1939.—A survey of the business conditions of 1,250 of the principal industrial, commercial, and other business firms in Japan for the six months ended December, 1938, recently conducted by the Mitsui Gomei Kaisha shows that 1,188 of the companies had profits totalling 738,900,000 yen and 62 had gross losses to the aggregate of 2,900,000 yen. The net profit of the companies under survey was, therefore, 736,000,000, which represented 13.2 per cent of the total paid-up capital of 11,166,000,000 yen or 9.8 per cent on the aggregate subscribed capital.

The total net profit for the period under review showed an advance of 84,100,000 yen or 12.9 per cent as compared with the second half of 1937 and an increase of 44,600,000 yen or 6.5 per cent as against the first half of 1938. The percentage profit for the second half of 1937 was 12.6 and that for the first half of 1938 was 12.9.

The 62 firms which showed losses during the period under review was an increase of 17 over the same period in 1937 and six more than for the first half of 1938. The total losses for the six months ended December, 1938, namely 2,900,000 yen, was 950,000 yen higher than for the corresponding six months of 1937 but a decrease of 1,100,000 yen as against the first six months of 1938.

The aggregate amount of dividends for the second half of 1938 was 475,400,000 yen, an increase of 48,700,000 yen over the similar period of 1937 and of 22,800,000 over the first half of 1938. The dividend rate for the periods mentioned were 8.5 per cent, 8.3 per cent, and 8.4 per cent respectively. The reserves held for the half-year under review amounted to 231,500,000 yen, an increase of 35,200,000 yen over the corresponding six months of 1937 and of 19,400,000 yen over the first six months of 1938.

Ninety-seven firms declared no dividend during the period as compared with 103 and 104 for the last half of 1937 and the first half of 1938 respectively.

PROFITS BY INDUSTRIES

A general review of the business conditions of the 1,250 firms shows that the "war-time" industries, with the chemical industry as the centre, continued to be active; but their percentage profits showed some decline because of the increased capital which was invested to permit of expanded production. It is of interest to observe that, while the war-time industries were largely responsible for the increased average of profits for the first half of 1938, the peace-time industries take credit for the expanded percentage of profits for the six months under review.

Of the war-time industries which continued to show increased profits despite the burden of larger capital investments, the outstanding were shipbuilding, the foundry industry, and the machinery and tool-making industry. The iron and steel industry and other metal-working industries as well as mining continued to operate under favourable conditions but their profits did not increase in proportion to the sharp rise in investments. In the fibre division, hemp, wool, and rayon improved their positions, while the cotton industry suffered a decline in overseas markets although domestic sales improved.

With respect to foodstuffs, sugar refining, flour milling, and confectionery were affected favourably by increased demands from China and Manchuria. The brewing and distilling trade was adversely affected by increased cost of production.

The hide and leather industry enjoyed greater sales to the war-time industries. The paper industry increased its profits as a result of increased sales both

at home and abroad. The inactivity in building and increased production costs affected the glass industry adversely and the ceramic industry also showed reduced profits. The cement trade showed a slight expansion.

PROFITS IN COMMERCE AND FINANCE

In the field of commerce, as distinct from manufacturing, increased profits were earned by firms engaged in foreign trade, while the security business was virtually at a standstill. Stagnant conditions in the stock market resulted in decreased profits, while real estate gradually recovered. In public utilities, electric light and power and gas progressed smoothly. There was a sharp recovery in railways and tramways due largely to increased traffic on local lines. The shipping industry was very active in the near seas but the large loss suffered by the Nisshin Steamship Company in consequence of the China Incident more than offset the increased profits by other services.

The increased stocks of locally made goods compensated for the reduced imports, with the result that the warehousing industry showed improvement in its business results. Profits under the heading of "miscellaneous" showed a reduction due to decreased earnings of building and amusements.

In financial circles, the banks continued to show increased profits following the requirements for expansion of war-time industries. Increased loans caused an improvement in the position of trust companies.

A further survey conducted by Mitsui Gomei Kaisha into the business results of 40 corporations (in addition to the 1,250 firms reviewed in the above) which settle their accounts once a year showed that these corporations had profits amounting to 9,600,000 yen. This amount represented a return of 11.2 per cent on the total paid-up capital of 85,700,000 yen. The profit was an increase of 1,100,000 yen or 13.2 per cent over the previous year. This increased profit was due largely to expanded business by the machine and tool-making industry, mining, and general commercial circles.

The business operations of 60 banks, industrial, commercial, and other business companies in Japanese colonial territories, such as Korea, Formosa, Karafuto, and Kwantung Leased Territory, during the second half of 1938 resulted in profits of 65,400,000 yen or 13.4 per cent of the paid-up capital of 977,000,000 yen of the organizations concerned. These profits were 7,700,000 yen in advance of those earned in the preceding six-months' period and were earned largely by banking, sugar, refining, mining, and transportation enterprises.

DETAILS OF RATES OF PROFIT

The following table shows the profits realized by various classes of industry and rates of profit for the second half of 1938 with corresponding figures for the first half of 1938 shown for comparison, the figures in parentheses showing the number of companies under survey:—

	Jan./June, 1938		July/Dec., 1938	
	Profits 1,000 yen	Per Cent Profit	Profits 1,000 yen	Per Cent Profit
Banking.. (250)	77,692	12.6	78,912	12.8
Trust.. (28)	5 171	14.1	5,454	14.8
Fibre industry.. (122)	71,646	14.5	74,328	14.7
Food industry.. (29)	17,998	17.7	18,117	17.6
Hides and leather.. (4)	1,457	30.9	1,588	32.8
Paper making.. (24)	20,678	14.8	21,805	15.5
Ceramic industry.. (44)	13,517	11.3	14,121	11.8
Chemical industry.. (65)	45,166	14.6	49,873	14.8
Metal industry.. (40)	91,233	22.9	94,724	22.0
Shipbuilding and car foundry.. (13)	19,882	13.9	23,290	14.7
Machine and tool making.. (100)	53,000	17.8	65,713	19.1
Mining.. (40)	59 530	16.9	64,622	16.2
Printing.. (10)	1,280	13.7	1,448	14.3
Commerce.. (63)	31,319	18.3	34,149	19.1
Transportation.. (138)	38,663	7.4	44,084	8.3

RATES OF DIVIDEND

The following table shows the average rates of dividends (divided profits) for the various industries under review for the first and second half-year periods of 1938, the basis being the paid-up capital; also, under the heading of "undivided profits," the reserves held expressed as a percentage of the net profits of the industries:—

	Jan./June, 1938		July/Dec., 1938	
	Divided Profits Per Cent	Undivided Profits Per Cent	Divided Profits Per Cent	Undivided Profits Per Cent
Banking.. (250)	7.2	35.8	7.2	39.3
Trust.. (28)	5.5	58.1	5.5	59.2
Fibre industry.. (122)	11.3	19.1	11.1	22.1
Food industry.. (29)	10.6	34.7	10.7	34.3
Hide and leather.. (4)	8.9	67.7	9.0	69.2
Paper making.. (24)	9.6	31.8	9.8	33.7
Ceramic industry.. (44)	8.6	19.7	8.7	22.0
Chemical industry.. (65)	9.8	29.2	10.0	28.4
Metal industry.. (40)	8.4	61.2	8.6	58.8
Shipbuilding and car foundry.. (13)	7.3	43.8	7.5	45.3
Machine and tool making.. (100)	9.9	36.8	10.4	35.1
Mining.. (40)	10.2	35.6	10.0	34.8
Printing.. (10)	8.3	30.9	8.4	33.1
Commerce.. (63)	13.0	23.8	13.0	27.3
Transportation.. (138)	5.7	25.1	6.2	23.8

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington, New Zealand. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 13, Palmerston North District, mimic bus control panels, complete with steel frames, panels fixing bolts, labels, instruments, control switches, indicators, terminal boards, multicore cable clamps, wiring and accessories (tenders close October 24, 1939); Section 22, Palmerston North District, four 110 kv. potential transformers (tenders close October 3, 1939); Section 34, Hamilton District, 50 kv. outdoor switchgear and steelwork (tenders close October 17, 1939); Section 25, Christchurch District, two 3-phase 33 kv. oil circuit breakers (tenders close September 19, 1939); R.N.Z.A.F. Station, Ohakea, booster pump and equipment for fire fighting (tenders close September 5, 1939).

TARIFF CHANGES AND CUSTOMS REGULATIONS

Australia

DEFERRED DUTIES

Deferred duties under Item 136F2 of the Australian customs tariff, covering "iron and steel hoop, not elsewhere included in the tariff," except "bright cold rolled hoop from $\frac{3}{8}$ inch to 6 inches in width, both sides inclusive, and from 0.0148 inch to 0.08 inch in thickness, both sides inclusive," that were to have gone into effect on July 1, 1939, have been further postponed until October 1, 1939. At present this commodity is free of duty under the British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff. Deferred rates are 10 per cent ad valorem under the British preferential tariff and 22½ per cent ad valorem plus 70s. per ton (2,240 pounds) under the general tariff, both rates to increase as present Australian exchange depreciation may be lessened.

Deferred duties under Item 186, on "screw hooks, eyes, and rings," have been further deferred from July 1, 1939, to January 1, 1940. Present rates are: free of duty under British preferential tariff, 15 per cent ad valorem under general tariff. Deferred rates are: free of duty and $26\frac{1}{4}$ per cent ad valorem respectively; duties to be imposed or increased as present Australian exchange depreciation may be lessened.

Under all the above-named items the British preferential tariff is applicable to Canada and the general tariff to all countries outside the British Empire.

Australia

TARIFF DECISIONS

Recent Australian customs decisions as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Sponge material composed of cellulose reinforced with vegetable fibres imported in sheets or blocks, not put up for retail sale or household use, is ruled to be "unspecified goods," free of duty from all countries. Sponges of such material when put up for retail sale or household use are dutiable at 15 per cent ad valorem under the British preferential tariff and $33\frac{3}{4}$ per cent under the general tariff, duties to increase as present Australian exchange depreciation may be lessened (Item 79).

Woven wire, exceeding 72 inches by 72 inches, for use in the manufacture or repair of filters, provided that such woven wire shall be used either in the sizes as imported or, if cut after importation, the resultant pieces shall exceed 72 inches by 72 inches, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under Item 415A2).

Cold rolled iron and steel hoop of dimensions from $\frac{3}{8}$ inch to 6 inches in width, both sizes inclusive, and from 0.0148 inch to 0.08 inch in thickness, both sizes inclusive, 10 per cent ad valorem under British preferential tariff, $22\frac{1}{2}$ per cent ad valorem plus 70s. per ton (2,240 pounds) under general tariff (Item 136F2).

Gelatine in sheets or rolls, plain, for the manufacture of fancy boxes, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under Item 404).

Insulating material consisting of two sheets of foil interspaced by corrugated brown paper, 30 per cent ad valorem under British preferential tariff (duty reduced to compensate for present Australian exchange depreciation), 50 per cent ad valorem under general tariff (Item 425).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

Cyprus

IMPORTS OF WHEAT AND FLOUR PROHIBITED

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, cables that the Cyprus press has published an official announcement dated August 2 prohibiting, except under licence from the Director of Agriculture, the importation of wheat and flour for the next three months, after which the position will be reviewed.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Bolivia

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, July 22, 1939.—For many years exchange control of varying degrees of stringency has been in effect in Bolivia. During the past year the restrictions have been changed on several occasions to meet the considered needs of the country. All past restrictions, affecting both exporters and importers, however, have been less far-reaching in their scope as applied to the general economy of

the republic than a recent decree of June 9 last (and slight modifications thereto issued early in this present month), which provided for the complete control of all foreign exchange in the hands of the Banco Central.

As previously reported in the *Commercial Intelligence Journal*, a portion of foreign exchange made available to exporters by virtue of their sales abroad was required to be turned over to the Banco Central de Bolivia. For other transactions the Banco Central fixed uniform rates of exchange, having regard to supply and demand and to ruling economic conditions. Since June, 1938, the rate set of 140 bolivianos to the pound sterling has remained steady.

Later in 1938 it was considered that the law was being evaded, and in December last stricter regulations were put into effect in connection with the returns from exports, notably tin. Despite these measures, since the beginning of this year there has been a steady reduction in foreign exchange available and an apparent flight of capital abroad. Importers have reported a declining supply of exchange, insufficient to meet their requirements for goods not included among those classified as luxuries. In consequence the value of foreign currencies on the "bootleg" or curb market, which has flourished for some years in Bolivia, has steadily risen. Due to these conditions, together with unsatisfactory income from sales of tin abroad, the exchange situation at the beginning of June was adversely affecting the internal economy of Bolivia, and the Government adopted a new law to deal with it.

NEW EXCHANGE LAW

The main features of this new exchange decree are:—

- (a) The centralization and control of 100 per cent of all foreign exchange obtained from exports (almost entirely minerals) from Bolivia.
- (b) The nationalization of the Mining Bank (Banco Minero) with additional capital supplied by the Government. This bank is declared to be the only bourse for minerals and all other brokers are required to liquidate within four months. In order to prevent any mining companies from falling down on normal export shipments, the Mining Bank is empowered to arrange for exports, for which a percentage fee in foreign currency is chargeable.
- (c) Fifty per cent of all foreign exchange obtained from exports is to be used for the needs of the Government, industry, and commerce.
- (d) The balance of the exchange available is to be employed for wastage of mines, mining machinery, sales costs, payment of dividends abroad (up to 5 per cent only), wages of foreign employees under contracts signed prior to the promulgation of this law, and whatever then remains to the Central Bank in the form of sale to banking exchange for the expenses of business and industry.
- (e) The formation of a Centralization Fund to cover any exchange losses or reductions of export tonnage.

Although share values of the mining companies (the most important of which are foreign-owned) fell as much as 40 per cent with the promulgation of this law, and although the economy of the republic is almost entirely dependent upon the returns from the tin mines, the value of the boliviano has been maintained at the rate of 140 bolivianos to the pound sterling and the Government have expressed their determination that such a rate shall continue. As only 50 per cent of foreign exchange is to be made available to the Government, and for the industrial and commercial needs of the country for purchases from abroad, it is anticipated that importers will experience greater difficulty than hitherto in obtaining exchange requirements. For some time past shippers from abroad, if payment has not been made in advance, have generally been forced to wait considerable periods before exchange was available to their Bolivian importers for payment of the bills. In the present uncertain situation arising

from the new exchange law Canadian exporters to Bolivia are strongly enjoined to insist upon payment with order as the minimum requirement.

Japan

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, July 8, 1939.—Foreign exchange transactions are rigidly controlled in Japan, the permission of the Minister of Finance being required to purchase foreign exchange other than for small amount.

Foreign exchange for the payment of goods may be purchased to the extent of 100 yen (about \$27.50 Canadian) per month without permission. In other cases a permit to remit must be secured. The effect of this, of course, is serious restriction of trade, as permission to buy exchange is seldom granted for goods which are not essentials and really required in Japan. Canadian exporters to Japan should make sure, therefore, that the necessary exchange permits have been secured or arranged for, as otherwise considerable delays may occur in securing payment.

The purchase of exchange for purposes other than payment for goods is also subject to strict control. For travelling expenses, the total amount (inclusive of currency, foreign currency, remittance exchange, and letters of credit) which may be taken out of Japan without permission is 500 yen. Similarly amounts of more than 500 yen per year may not be transmitted to persons travelling or resident abroad without permission. For certain other specified purposes, such as marine insurance, 1,000 yen per year may be remitted without a permit. For general unspecified purposes no more than 100 yen in foreign exchange may be purchased each year without the prior permission of the Minister of Finance.

Mexico

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, July 27, 1939.—The announcement on June 27 that the United States Government proposed drastic legislation relating to purchases of foreign silver produced immediate reaction on the exchange market in Mexico. During the first hours of trading on that date the demand for dollars considerably exceeded the normal and about midday the Bank of Mexico ceased to deal in dollar exchange in order to conserve its resources. The result was that the rate at private banks soared to 5.40 pesos to the dollar as compared with 4.90, at which the Bank of Mexico had sold in the opening hours of the morning, and even at the higher rates dollars were only available in small amount.

On the following day rates fluctuated greatly, averaging 5.60 to 5.70 at the private banks, although in some cases they reached as high as 6 to 1. On June 30 and July 1 banks were closed for the balancing of their half-yearly accounts, and during these days rates in the curb market generally followed those of the private banks, varying from the bank rates at times by 10 to 25 centavos.

The later news that the United States silver policy might be modified tended to bring the peso into a more favourable position, and on the last day of June brokers hesitated to buy dollars in large quantities, generally paying around 5.30 for such purchases as they made. Since then, as these proposals have not been carried into effect, the peso has still further depreciated until it is now 5.92 in terms of American dollars, 5.91 selling in Canadian dollars, and banks are buying at 5.80 in Canadian dollars.

Due to the uncertainty over the value of the peso importers have practically ceased to place foreign orders, and the payment of foreign accounts has become slow. Retail sales of all kinds of imported merchandise, particularly in the heavier hardware lines, increased with the expectation that retail prices would follow the same trend. This has proved to be the case. Since the end of June retail prices have increased in all lines in proportion to the depreciation of the peso.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUG. 7, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 7, 1939, and for the week ending Monday, July 31, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 31	Nominal Quotations in Montreal Week ending Aug. 7	Official Bank Rate
Belgium.. . . .	Belga	.1001	\$.1699	\$.1698	2½
Bulgaria.. . . .	Lev	.0072	.0123	.0121	6
Denmark.. . . .	Krone	.2680	.2089	.2089	3½
Finland.. . . .	Markka	.0252	.0205	.0206	4
France.. . . .	Franc	.0392	.0265	.0264	2
Germany.. . . .	Reichsmark	.2382	.4012	.4012	4
Great Britain.. . . .	Pound	4.8666	4.6807	4.6806	2
Greece.. . . .	Drachma	.0130	.0086	.0086	6
Holland.. . . .	Guilder	.4020	.5310	.5331	2
Hungary.. . . .	Pengo	.1749	.2950	.2950	4
		Unofficial	.1958	.1958	—
Italy.. . . .	Lira	.0526	.0526	.0526	4½
Yugoslavia.. . . .	Dinar	.0176	.0227	.0227	5
Norway.. . . .	Krone	.2680	.2352	.2352	3½
Poland.. . . .	Zloty	.1122	.1880	.1880	4½
Portugal.. . . .	Escudo	.0442	.0425	.0425	4-4½
Roumania.. . . .	Leu	.0060	.0071	.0071	3½
Spain.. . . .	Peseta	.1930	.1102	.1102	4
Sweden.. . . .	Krona	.2680	.2412	.2411	2½
Switzerland.. . . .	Franc	.1930	.2255	.2257	1½
United States.. . . .	Dollar	1.0000	1.0000	1.0000	1
Mexico.. . . .	Peso	.4985	.1687	.1684	3
Cuba.. . . .	Peso	1.0000	.9995	.9995	—
Guadeloupe.. . . .	Franc	.0392	.0265	.0265	—
Jamaica.. . . .	Pound	4.8666	4.6907	4.6906	—
Martinique.. . . .	Franc	.0392	.0265	.0265	—
Other British West Indies..	Dollar	1.0138	.9751	.9751	—
Argentina.. . . .	Peso	.4245	.3121	.3121	3½
	Official buying		.2753	.2753	—
	Unofficial		.2310	.2320	—
Brazil.. . . .	Milreis (Paper)	.1196	.0606	.0606	—
	Unofficial		.0504	.0502	—
British Guiana.. . . .	Dollar	1.0138	.9751	.9751	—
Chile.. . . .	Peso	.1217	.0517	.0517	3-4½
	Unofficial		.0400	.0400	—
Colombia.. . . .	Peso	.9733	.5705	.5716	4
Peru.. . . .	Sol	.2800	.1875	.1875	6
Venezuela.. . . .	Bolivar	.1930	.3125	.3100	—
Uruguay.. . . .	Peso	1.0342	.6159	.6160	—
	Unofficial		.3581	.3587	—
South Africa.. . . .	Pound	4.8666	4.6690	4.6689	3½
Egypt.. . . .	Pound (100 Piastres)	4.9431	4.7991	4.8000	—
China (Shanghai).. . . .	Dollar	.....	.0840	.0754	—
Hongkong.. . . .	Dollar	.....	.2864	.2864	—
India.. . . .	Ruppee	.3650	.3496	.3493	3
Japan.. . . .	Yen	.4985	.2728	.2727	3.29
Java.. . . .	Guilder	.4020	.5316	.5333	—
Thailand (Siam).. . . .	Baht (Tical)	.4424	.4290	.4291	—
Straits Settlements.. . . .	Dollar	.5678	.5482	.5481	—
Australia.. . . .	Pound	4.8666	3.7450	3.7445	3
New Zealand.. . . .	Pound	4.8666	3.7600	3.7595	4

The Dominion Bureau of Statistics has supplied the following note:—

With the exception of a firmer tone for the Netherlands florin, leading currencies remained practically unchanged at Montreal during the week ended August 5. Strength in the florin, which rose from 53·10 cents on July 31 to 53·32 cents on August 5, followed the announcement that a new Cabinet under former Finance Minister De Geer would replace the one recently defeated under Dr. Colijn. United States funds showed no change, holding at par in terms of the Canadian dollar throughout the week. Sterling spot rates were comparatively steady at \$4·6813 on August 5 compared with \$4·6807 at the close of the previous week. On the other hand, French francs weakened slightly from 2·65 cents on July 31 to 2·6494 cents on August 5. Swiss francs firmed 3 points during the week to 22·58 cents, while Belgian belgas closed 1 point lower at 16·98 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce
Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry,
Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Codfish.....	308	St. Thomas, Virgin Islands	Agency.
Beer.....	309	Port au Prince, Haiti.....	Purchase and Agency.
Miscellaneous—			
Cotton Dresses, Beachwear, etc..	310	London, England.....	Agency.
Candlewick Bedspread Material..	311	Auckland, New Zealand...	Agency.
Furs and Skins for the Glove Trade.....	312	Bristol, England.....	Agency.
Leather for Shoe and Handbag Trades.....	313	London, England.....	Purchase.
Bath and Basin Plugs (Rubber)..	314	Melbourne, Australia.....	Agency.
Rubber Tiring with Spiral Wire Embedded.....	315	Melbourne, Australia.....	Agency.
Household Electric Appliances...	316	Bristol, England.....	Agency.
Meat Choppers (Hand).....	317	Melbourne, Australia.....	Agency.
Pastry Boards.....	318	New York City, New York	Purchase and Agency.
Clothes Pins.....	319	New York City, New York	Purchase and Agency.
Hardwood Broom Handles.....	320	New York City, New York	Purchase and Agency.
Wood Screws (Brass and Iron)...	321	Melbourne, Australia.....	Agency.
Composition Blackboard (Silicate).....	322	Cape Town, South Africa..	Purchase.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Montrose, Aug. 15; Duchess of Bedford, Aug. 20; Duchess of Atholl, Aug. 25; Duchess of York, Sept. 1; Duchess of Richmond, Sept. 9—all Canadian Pacific; Andania, Aug. 25; Antonia, Sept. 8—both Cunard-White Star Line.

To London.—Beaverburn, Aug. 18 and Sept. 15; Beaverbrae, Aug. 25 and Sept. 29; Beaverdale, Sept. 1; Beaverhill, Sept. 8—all Canadian Pacific; Aurania, Aug. 18; Ascania, Aug. 25; Ausonia, Sept. 1; Alaunia, Sept. 8—all Cunard-White Star Line; Svanefjell, Aug. 23; Rutenfjell, Sept. 6—both Fjell Line; Prins Frederik Heinrich, Aug. 18; Prins Willem II, Aug. 30—both Oranje Line.

To Manchester.—Manchester Progress, Aug. 17 and Sept. 25; Manchester Commerce, Aug. 24; Manchester City, Aug. 31; Manchester Regiment, Sept. 7; Manchester Port, Sept. 14—all Manchester Line.

To Avonmouth, Bristol, Cardiff and Swansea.—Norwegian, Aug. 19; Dakotian, Sept. 6; Dorelian, Sept. 23—all Cunard-Donaldson and Dominion Lines; Boston City, Aug. 26; New York City, Sept. 14—both Bristol City and Dominion Lines.

To Glasgow.—Athenia, Aug. 18 and Sept. 15; Sulairia, Aug. 25 and Sept. 22; Letitia, Sept. 2; Delilian, Sept. 8—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Bassano, Aug. 17; Consuelo, Sept. 7—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnvalona (also calls at Dundee), Aug. 16 and Sept. 17; Cairnglen, Aug. 23; Cairnesk, Sept. 6; Cairmona (also calls at Dundee), Sept. 13; Cairnross, Sept. 20—all Cairn-Thomson Line.

To United Kingdom Ports.—Kirkwood, Aug. 15; Kingswood, Aug. 17; Briarwood (calls at London), Aug. 17; Windsorwood, Sept. 8; Maplewood (calls at London), Sept. 10—all Constantine Line.

To Belfast and Dublin.—Kenbane Head, Aug. 20; Melmore Head, Aug. 20; Fanad Head, Aug. 30—all Head Line (also call at Londonderry and Cork).

To Hamburg and Bremen.—Beaverdale, Sept. 1; Beaverburn, Sept. 22—both Canadian Pacific (do not call at Bremen); Bochum, Hamburg-American Line, Sept. 15; Koenigsburg, North German Lloyd Line, Aug. 25.

To Antwerp.—Beaverburn, Aug. 18; Beaverbrae, Aug. 25; Beaverford, Sept. 15—all Canadian Pacific; Eastern Star, County Line, Aug. 16 (also calls at Havre); Svanefjell, Aug. 23; Rutenfjell, Sept. 6—both Fjell Line; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—both Oranje Line.

To Rotterdam.—Grey County, County Line, Aug. 25; Svanefjell, Aug. 23; Rutenfjell, Sept. 6—both Fjell Line; Prins Frederik Hendrik, Aug. 18; Prins Willem II, Aug. 30—both Oranje Line.

To Norwegian Ports.—Idefjord, Norwegian-American Line, Sept. 1.

To Scandinavian and Baltic Ports.—Stureholm, Aug. 16; Ragnhildsholm, Sept. 12—both Swedish America Mexico Line; Kungsholm, Swedish-American Line, Aug. 19.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Lena, Aug. 19; Capo Olmo, Sept. 7—both Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—Gaspesia, Aug. 16 and 30; New Northland, Aug. 21 and Sept. 4—both Clarke SS. Co. (call at Cornerbrook only); Belle Isle, Newfoundland-Canada SS. Ltd., Aug. 25 and Sept. 8 (calls at St. John's and St. Pierre-Miquelon); Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd., Aug. 29.

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, Aug. 19; Cornwallis, Sept. 2; Chomedy, Sept. 16—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Lady Somers, Aug. 16; Cathcart (calls at Kingston only), Aug. 25; Lady Rodney, Aug. 30; Cavalier (calls at Kingston only), Sept. 8—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Olympia, Aug. 26; Ary Lensen, Sept. 9; Maud, Sept. 23—all Ocean Dominion SS. Corp.

To Buenos Aires.—Tercero, International Freighting Corporation, Sept. 8 (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Kaikoura, Aug. 25; Kaipaki, Sept. 25—both Montreal Australia New Zealand Line Ltd. (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—City of Glasgow, Sept. 9 (also calls at Bluff); a steamer, Oct. 10—both Montreal Australia New Zealand Line Ltd.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Tawali, Aug. 24; Mapia, Sept. 23—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Calgary, Elder Dempster Lines Ltd., Aug. 27.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Bath, Aug. 14; City of Eastbourne, Aug. 26; City of Manila, Sept. 14—all Canada India Service.

From Quebec

To Southampton.—Empress of Australia, Aug. 19 and Sept. 2; Empress of Britain, Aug. 26 and Sept. 9—both Canadian Pacific.

From Saint John

To Liverpool and Manchester.—Manchester Division, Manchester Line, Sept. 2.

To London, Aberdeen, Newcastle and Hull.—Marwarri, Cunard-White Star Line, Aug. 22; Kyno, Ellerman's Wilson Line, Aug. 25.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Aug. 16; Lady Drake, Aug. 30; Lady Nelson, Sept. 13—all Canadian National.

To Kingston and Jamaican Outports.—Iriona, United Fruit Co., Aug. 26 and Sept. 9.

From Halifax

To Liverpool.—Newfoundland, Aug. 19; Nova Scotia, Sept. 6—both Furness Line.

To St. John's, Nfld.—Fort Amherst (also calls at Cornerbrook), Aug. 14 and 28; Fort Townshend (also calls at St. Pierre), Aug. 21, Sept. 4—both Furness-Red Cross Line; Magnhild, Newfoundland-Canada Steamships Ltd., Aug. 21, Sept. 4 (also calls at St. Pierre and Newfoundland outports); Portia, Newfoundland Ry. and SS. Co., Aug. 16; Newfoundland, Aug. 19; Nova Scotia, Sept. 6—both Furness Line.

To Kingston, Jamaica.—Cavalier, Aug. 14 and Sept. 11; Cathcart, Aug. 28—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Aug. 24; Lady Drake, Sept. 7—both Canadian National; Olympia, Aug. 31; Ary Lensen, Sept. 14—both Ocean Dominion SS. Corp. (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, Aug. 23; Cornwallis, Sept. 6—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, Pickford & Black Ltd., Aug. 23 (also calls at Jamaican outposts as cargo offers).

To Far East Ports.—Silveryew, Silver Line, Sept. 5; Siamese Prince, Furness-Prince Line, Sept. 21.

From Vancouver

To Yokohama, Kobe and Osaka.—Hie Maru, Aug. 26; Heian Maru, Sept. 9—both Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Asia (calls at Nagasaki), Aug. 19; Empress of Canada (calls at Honolulu), Sept. 2; Empress of Russia (calls at Nagasaki), Sept. 16; Empress of Japan (calls at Honolulu), Sept. 30—all Canadian Pacific; Ixion, Sept. 2; Talthybius, Oct. 2—both Blue Funnel Line (call at Milke but not at Manila).

To Honolulu, Suva, Auckland and Sydney.—Aorangi, Aug. 30; Niagara, Sept. 27—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia and Singapore.—Djambi (calls at Colombo, Bombay and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Aug. 31; Silveray (calls at Saigon, Belawan Deli, Colombo and Bombay, will also call at Port Swettenham and Penang if sufficient cargo offers), Sept. 9; Tosari (calls at Colombo, Bombay and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Sept. 30—all Silver-Java Pacific Line.

To Papeete, Sydney and Melbourne.—Cape Horn (also calls at Adelaide), Sept. 15; Tolten (also calls at Auckland, Wellington and Newcastle), Sept. 27—both Canadian-Australasian Line Ltd.

To Brisbane, Sydney, Melbourne and Adelaide.—Goonawarra, Aug. 20; Kookaburra, Sept. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Lochavon (also calls at Glasgow), Aug. 19; Lochkatrine, Sept. 2; Lochmonar (also calls at Glasgow), Sept. 16—all North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Pacific, Aug. 19; Balboa, Aug. 24; Annie Johnson, Sept. 7; Axel Johnson (calls at Plymouth), Sept. 22—all Johnson Line.

To Antwerp, Hamburg and Bremen.—Portland, Hamburg-American Line, Aug. 17; Isar, North German Lloyd Line, Aug. 21.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Wyoming, Aug. 23; San Antonia, Sept. 19—both Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Leme, Aug. 14; Fella, Sept. 9—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—Manoeran, Silver-Java Pacific Line, Sept. 6 (calls at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Sheafcrow (also calls at Beira), North Pacific Shipping Co. Ltd., early September.

To West African Ports.—A vessel, Jorgensen Shipping Company A/B, end of September or beginning of October (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., late August.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Leikanger, Aug. 26; Evanger, Sept. 28—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

To Buena Ventura and Guayaquil.—A steamer, North Pacific Shipping Co. Ltd., August (also calls at Mexican and Central American west coast ports).

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER. Address for letters—90 Queen Street. Office—Safe Deposit Office Building. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

J. C. MACGILLIVRAY, 801 Columbus-Haus, Potsdamer Platz 1, Berlin W.9. (Territory includes Czecho-Slovakia and Poland.) *Cable address, Cantracom.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolingsel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXI

Ottawa, August 19, 1939

No. 1855



Freighter from Vancouver with 2,500,000 feet of timber for Australia
on her decks at South Wharf, Melbourne.

Courtesy The Melbourne "Argus"

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Ottawa, August 19, 1939

No. 1855

MR. PALMER TO VISIT WESTERN AUSTRALIA

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, whose territory includes the States of Victoria, South Australia, Western Australia, and Tasmania, will leave Melbourne early in October for a visit to Western Australia in the interests of Canadian trade with that state.

Canadian exporters or others interested in trading with Western Australia or wishing to have investigations or inquiries made there on their behalf should communicate with Mr. Palmer as much in advance of his departure date as possible, quoting c.i.f. prices Fremantle as well as f.o.b. Canadian port, and supplying as much other information as possible concerning their products.

MR. RIDDIFORD TO VISIT VENEZUELA

Mr. W. J. Riddiford, Canadian Trade Commissioner at Panama City, will leave on August 31 for a visit to Venezuela in the interest of Canadian trade with that country.

Canadian exporters interested in the Venezuelan market and desirous of having investigations made on their behalf should communicate by air mail with Mr. Riddiford at Panama City. His address for letters is P.O. Box 222, Panama City, R.P.

AMENDMENT TO UNITED KINGDOM WHEAT ACT

H. A. SCOTT, ACTING CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 28, 1939.—An Act has just been passed by the United Kingdom Parliament amending the Wheat Act, 1932, which is the legislation under which a minimum price for wheat of milling quality is guaranteed to growers in this country. An explanation of the existing wheat regulations was published in *Commercial Intelligence Journal* No. 1802 (August 13, 1938).

The amendment, broadly speaking, has two objects. Firstly, it establishes machinery by means of which the "standard" (i.e. the minimum) price of United Kingdom-grown millable wheat may, if considered desirable, be altered. The present prescribed standard price is 10s. per cwt. of 112 pounds.

Secondly, a formula has been evolved for distinguishing between flour and wheat offals for the purpose of determining liability to wheat quota payments. The intention of the original Wheat Act, 1932, was to levy the quota payment on all products which could be regarded commercially as flour, including the low-grade feeding flour. Difficulties have arisen, however, in respect to the classification of products which are intermediate in quality between offals and low-grade feeding flour. The amending Act defines the situation and introduces a system of grading the quota payment, which is briefly as follows:—

If the ash content of the substance produced from milling does not exceed 2 per cent the substance should be held to be flour and liable to

the full quota payment; if the ash content exceeds 2 per cent but does not exceed 2·7 per cent the substance is still liable for quota payment, but at a reduced rate if it is destined for the feeding of live stock. If the ash content exceeds 2·7 per cent and is destined for the feeding of live stock it escapes quota payment.

The amending Act also provides for the imposition of a quota payment on certain breakfast foods except where continued exemption is granted by the Ministry of Agriculture. Applications for exemption are to be referred to a committee.

SCOTTISH MARKET FOR RUBBER FOOTWEAR

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, July 7, 1939.—No close estimate can be made of the annual consumption of rubber footwear in Scotland as there are no statistics available to show the production of United Kingdom footwear, but it may safely be assumed that the largest part of the demand is supplied by the six or seven factories in Great Britain making these lines. However, a number of Canadian firms enjoy a large trade in Scotland, estimated at from 10 to 25 per cent of the whole, notwithstanding the fact that the largest manufacturer in Great Britain is located in Scotland. Of greater importance as a competitor of Canadian exporters is the Hongkong rubber industry, which for a number of years has been an important supplier of canvas shoes with rubber soles. Small and almost negligible quantities are from time to time imported from other countries.

IMPORTS BY SEA

The following table shows the imports of rubber footwear into Scotland by sea in 1938, the figures being taken from the Clyde and Forth Bill of Entry which deals with the arrivals of ships and their cargoes:—

Imports of Rubber Footwear into Scotland by Sea in 1938

	Canvas Shoes with Rubber Soles Doz. Prs.	Rubber Boots Doz. Prs.	Unclassified Rubber Footwear Doz. Prs.	Rubber Soles and Heels Cwts.
Total	75,146	11,745	23,575	....
Canada	9,619	10,358	20,274	637
Hongkong	63,495	1,201	1,614	....
Czecho-Slovakia	142	....	906	....
China	1,631	149	....	....
Germany	209	37	47	44
Burma	50	....	374	....
				Doz. Prs.
Japan . . . . .	....	....	360	1,100

In addition to the foregoing, 50 cwts. of soles and heels of rubber composition were imported from Canada.

It is clear from the above figures that Hongkong is the only real overseas competitor of Canada in the Scottish market. Products of that colony are entitled to the same Empire preference in the British market as Canadian products enjoy, provided the regulations are adhered to. Particulars in the certificate of origin must be attested by chartered accountants, the firms shipping must be known and accredited, and the new rubber used must be certified to be of British Empire production.

TRENDS OF TRADE

There have been no marked changes in the rubber footwear market in Scotland in the last three or four years except for an increase in the popularity of

rainettes and a marked increase in the sale of rubber boots to farm and industrial workers.

The popularity of rainettes was particularly marked last winter, but it is reported from one important quarter that the demand is likely to fall off. The rainette trade is practically all in women's sizes and the largest business has been done in those with dome fasteners or zippers, which just cover the ankles. There is a feeling that something new, rather higher, is needed. The boot with rubber collar and medium heel is the best selling type. The bulk of this business has apparently been done at cut prices.

The general opinion is that women's fashion wellingtons are losing ground but utility wellingtons are still moderately popular. Most of those sold in Scotland are of Scottish or Canadian make and they are worn mostly by children or young women. The low-heeled type from child's 9's to maid's 5's is most in demand.

For goloshes the demand is spasmodic, depending upon the weather. When there is a fall of snow the demand sometimes cannot be met, but few persons use them in rainy weather. In fact, the sale of goloshes and overshoes has declined almost to vanishing point, but they never have been popular.

A large trade, as the figures of imports show, is done in canvas shoes with rubber soles. These are supplied by British, Hongkong, and Canadian factories, and the trade appears to be growing. This footwear, when *just* different in style, quality, fitting, and fashion colours, will always find a reasonable sale.

A development of the last few years is the all-rubber golf shoe. This is an ordinary Oxford with the upper as well as the sole of rubber. It is intended to keep the golfer dry-shod in wet weather and is used extensively for this purpose. It is not popular, however, when the weather is dry because of the lack of ventilation.

OVERSEAS TRADE OF NEW ZEALAND IN 1938

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

(Values are shown in Canadian dollars converted at the rate of £1 New Zealand equals \$4 Canadian; quantities are in hundredweights of 112 pounds and tons of 2,240 pounds.)

Auckland, June 30, 1939.—The total trade of New Zealand in 1938 was valued at \$455,193,888 as compared with \$491,496,000 in 1937. Imports declined slightly from \$224,642,780 to \$221,688,756, while exports fell by \$33,348,384 to \$233,505,132. As a result, the favourable balance of trade, which amounted to \$42,210,736 in 1937, was only \$11,816,376 for 1938. The fall in export values, largely the result of lower prices for New Zealand's principal export commodities, is of serious consequence in view of the fact that New Zealand requires a favourable balance of approximately \$40,000,000 annually to meet overseas debt commitments.

EXPORT TRADE

Merchandise exports for 1938 at \$233,505,132 were the second highest ever recorded, and were only exceeded once in New Zealand's history, namely in 1937, when the value was \$266,853,516. The fall in values represents a decline in prices, as in many cases the actual volume of exports was greater in 1938 than in 1937. Butter with a value of \$66,000,000, as compared with \$68,000,000 in 1937, was the leading export, replacing wool which was first the year before.

The value of wool exports fell by 36 per cent, quantities falling by 4 per cent. Butter shipments declined by 12 per cent in quantity, but owing to improved prices the value fell by 2.7 per cent only. A considerable drop in value was recorded for hides and skins, but quantities increased except for rabbit skins. Other noteworthy declines in quantity and value occurred in casein, lamb,

preserved milk and cream, gold, and phormium fibre. Tallow exports increased in quantity considerably, but the value was much less.

The export values of the principal commodities for the past two years compare as follows:—

	1937	1938	Inc. or Dec.
Butter..	\$67,945,908	\$66,080,904	— \$ 1,865,004
Wool..	76,373,164	48,741,256	— 27,632,008
Frozen lamb..	37,521,452	36,527,860	— 993,592
Cheese..	21,487,512	23,740,244	+ 2,252,732
Frozen mutton..	6,544,096	8,174,616	+ 1,630,520
Frozen pork..	6,935,612	6,908,516	— 27,096
Sheepskins without wool..	6,476,412	3,867,136	— 2,609,276
Gold..	5,740,864	5,187,356	— 553,508
Sausage casings..	3,041,056	2,958,740	— 82,316

DIRECTION OF EXPORTS

United Kingdom.—In 1937 the United Kingdom absorbed 76·3 per cent of the exports from New Zealand. In 1938 the percentage was increased to 84·1 per cent. Total exports to the United Kingdom for the year were valued at \$195,210,000 compared with \$202,900,000 in 1937. In assessing the value of the United Kingdom market, it must be remembered that the lack of direct shipping services between New Zealand and the continent of Europe has the effect of bolstering up the United Kingdom trade figures at the expense of European countries. To a smaller extent, this is true of Canada and the United States as well. It should also be noted that in many instances New Zealand products are processed in the United Kingdom, and re-exported without credit to the buying country. Wool is a typical example, and large quantities of New Zealand wool reach Canada annually after scouring or other treatment in the United Kingdom.

New Zealand is exceeded only by Denmark as an exporter of butter, and is the world's largest exporter of cheese. The United Kingdom draws 31 per cent of her butter requirements from this country, and 59 per cent of her cheese. The consumption of butter in the United Kingdom is of vital importance to New Zealand, and higher butter prices in recent years have resulted in a swing toward margarine with a consequent decline in the per capita consumption of butter. According to latest figures available, the per capita consumption of butter in the United Kingdom is approximately 24·8 pounds per annum as compared with 8·9 pounds for margarine. Although this is less favourable than a year ago, it is a considerable improvement over the position in 1930, when the figures were 18·9 pounds for butter and 11·8 pounds for margarine.

New Zealand is the principal supplier to the United Kingdom of a number of other leading foodstuffs, furnishing 57·5 per cent of frozen mutton requirements, 52 per cent of frozen lamb, and 56 per cent of frozen and chilled pork. Principal New Zealand products taken by the United Kingdom in 1939 were: butter, \$63,916,344; frozen lamb, \$36,493,856; cheese, \$23,707,892; greasy wool, \$22,958,884; and frozen mutton, \$8,158,936. Other products included hides and skins, apples, dried milk, tallow and sausage casings.

Australia.—The United States and Japan both led Australia as customers of New Zealand in 1937; but reduced purchases by these countries, added to increased purchases on the part of Australia, placed the sister Dominion in second place in 1938. Figures for the two years were \$7,296,732 and \$8,178,116 respectively. Australia's principal purchase from New Zealand during 1938 was 53,522 bales of greasy wool valued at \$2,900,136. Other large items in order of importance were: gold, \$1,251,460; cattle hides, \$636,096; and sawn timber, \$614,012.

United States.—Exports to the United States for 1938 were valued at \$5,787,828 as compared with \$19,584,156 in 1937. Purchases of New Zealand wool by the United States in 1937 were larger than the purchases of all commodities combined in 1938. Only 2·5 per cent of New Zealand's exports were

destined for the United States in 1938 as compared with 7.2 per cent in 1937. On the other hand 12.3 per cent of New Zealand's imports originated in the United States.

The principal products exported to the United States in 1938 were: sheepskins without wool, \$1,922,628; sausage casings, \$870,648; rabbit skins, \$813,200; calfskins, \$493,700; and greasy wool, \$441,756. These five items accounted for over 78 per cent of all exports to the United States for the year.

Canada.—Canada took 1.92 per cent of New Zealand's exports in 1938 and was the fourth best customer despite a decline in purchases of \$2,218,472 or 33 per cent in the value of purchases. Total exports to Canada amounted to \$4,451,324. Although well below the preceding year, they were still higher than for any other year since 1930. The visible balance of trade has long been in favour of Canada, and for the year under review was \$14,970,672 as compared with \$11,586,404 in 1937. Of the five foremost buyers of New Zealand products, only the United Kingdom and France bought more than they sold in 1938. Australia had the largest balance unfavourable to New Zealand (\$21,098,272), followed by the United States (\$20,814,480) and Canada (\$14,970,672).

The principal commodities entering into the export trade with Canada are shown in the following table:—

	1934	1935	1936	1937	1938
	Values in 1,000 Canadian Dollars				
Butter.. . . .	93	35	52	4	670
Cheese.. . . .	0.8	18.9	12	8	14
Wool.. . . .	1,204	788.6	2,455	3,828	1,718
Sausage casings.. . . .	626.5	894.5	621.9	1,067	874.7
Hides, pelts, skins.. . . .	615	647	1,030.6	864	571
Seeds.. . . .	27.6	35	50.4	118.5	44
Frozen meat.. . . .	9	9.6	2.2	....	31.8
Apples.. . . .	100.8	94.7	49.6	95	192

Of the 14 principal exports to Canada, four showed increases and 10 decreases as compared with 1937. For the first time in many years butter exports amounted to the substantial figure of 29,054 cwts. as compared with 208 cwts. the year before. The butter trade, however, is not a permanent item, and depends entirely on the position of the industry in Canada. The reduction in the Canadian duty against New Zealand lamb resulted in a healthy movement of frozen lamb and mutton, shipments for the twelve months amounting to 2,551 cwts. valued at £28,440 as compared with no shipments at all in 1937. This trade is likely to prosper and should not acquire the sporadic characteristics of the butter trade. Shipments of apples amounted to 3,847,040 pounds valued at \$192,000 as compared with 1,900,000 pounds valued at \$95,000 in 1937. This trade depends to a large extent on the stocks available in Canada during the local production season.

A substantial decline occurred in Canada's purchases of greasy wool, the quantity taken in 1938 amounting to 15,837 bales as compared with 24,164 bales the year before. There were only 32,602 cattle hides exported to Canada in 1938 compared with 103,777 hides in 1937. Other declines occurred in exports of sausage casings, sheepskins with wool, grass seed, and unprepared peas.

Canada does not obtain any credit in New Zealand's trade returns for indirect purchases of New Zealand merchandise, although it is conservatively estimated that one-third of the wool Canada annually purchases through the United Kingdom is of New Zealand origin. If such other items as kauri gum and phormium tenax could also be included, the unfavourable visible balance of trade with Canada would not be so large.

France.—France took 1.74 per cent of New Zealand exports in 1938 as compared with 1.5 per cent in 1937 and was the fifth best customer. Values of French purchases for the two years were \$4,012,988 and \$4,059,764 respectively. Wool is the principal product entering the trade, the bidding of French wool buyers being a potent factor in establishing local prices in recent years. France is one of the few countries with which New Zealand has a sizeable favourable

trade balance, the amount in 1938 being \$3,251,600 as compared with \$3,289,392 in 1937.

Germany.—Drastically reduced purchases on the part of Japan in 1938 placed Germany ahead of Japan as a buyer of New Zealand goods. Germany's importance as a customer has increased steadily in recent years. She took 1·5 per cent of all exports in 1938 as compared with 1·38 per cent in 1937 and 0·5 per cent in 1936. This has been due to improved conditions in Germany and to a trade agreement that was concluded in 1937. The latter has tended to reduce the favourable balance that Germany generally had in trade with New Zealand. The balance is still in Germany's favour and in 1938 the amount was \$467,696. The principal commodities entering the trade are wool, butter and apples.

Other Countries.—The six countries listed above together absorbed over 95 per cent of New Zealand's exports in 1938. Of the other customers, Japan (\$2,370,856) and Belgium (\$1,440,764) were the only ones of importance.

IMPORTS

Imports into New Zealand for the calendar year 1938 were valued at \$221,688,756, a slight decline as compared with the total of \$224,642,780 recorded in 1937. The decreases were almost entirely in the consumer groups, and all luxury goods suffered with the exception of cigarettes and tobacco. Such improvements as occurred were in building and engineering lines, particularly paints, colours and varnishes; iron and steel in bar, bolt and rod, pipes, channels and girders; electrical machinery and equipment; sawn timber; and various papers.

The maintenance of imports and the sharp decline in exports resulted in a much smaller favourable trade balance than usual. The favourable balances over the last five years have been as follows: 1934, \$51,212,000; 1935, \$32,840,000; 1936, \$40,140,000; 1937, \$33,904,000; 1938, \$11,816,000.

IMPORT AND EXPORT CONTROL

The steady decline in overseas balances, together with a flight of capital and repatriation of overseas investments, created concern lest there would not be sufficient funds left overseas to pay for essential imports and to meet debt services in the United Kingdom. To rectify the position, the New Zealand Government considered it necessary to restrict the volume of importations, and early in December, 1938, by order in council, a system of import and export control was introduced. Under the regulations it is unlawful to export from or import into the country any product without a licence from the Government. The proceeds from all exports must be deposited in the New Zealand Reserve Bank. Payments from the funds so collected can only be made with the authority of the Government. Importers desiring foreign exchange to pay for their purchases have first to obtain a permit from the Customs Department which is necessary before the right to draw on the overseas funds can be granted. The Government is following a practice of selecting imports with the broad object of curtailing or prohibiting the importation of such commodities as can be made within the country, or for which locally made goods can be substituted.

It is also a part of the general policy to interfere as little as possible with imports from the United Kingdom. Although a number of commodities have been prohibited from that source, the treatment accorded the United Kingdom suppliers is generally more favourable than that meted out to other Empire countries, which in turn are generally better treated than foreign countries.

Licensing periods are of six months' duration. Although the percentage reductions for the first six months were kept secret, the reductions for the second six months of 1939 have been published. Working from these figures, a

theoretical reduction of approximately \$6,400,000 in Canada's exports to New Zealand is indicated for 1939. Actually it should not be quite so large, because of the substantial quantities of merchandise on order prior to the introduction of the restrictions and importation of which is being allowed. The adverse effect will also be tempered to some extent by the transfer to Canada of business that previously went to other countries.

These measures, if continued, will seriously reduce future imports into this country, and will prove a definite handicap to the introduction of new lines or brands. Even where imports are not being reduced, they are almost invariably being held to the same levels as applied in 1938. In the later detailed report on leading Canadian exports to this market, reference will be made to these restrictions and their probable effect on future trade. Canadian trade was doing so well as 1938 came to a close, and there were so many new lines just starting, that had it not been for the introduction of these restrictions the year 1939 would in all probability have been the best that Canada ever had in this market.

SOURCES OF SUPPLY

Approximately 74 per cent of New Zealand's imports for the year originated in Empire countries, with 48 per cent coming from the United Kingdom. On a per capita basis, New Zealand is the United Kingdom's best customer.

Following is a brief summary of New Zealand's import trade with the leading suppliers in order of monetary importance:—

United Kingdom.—Imports from the United Kingdom for the year were valued at \$107,578,000 as compared with \$111,467,428 in 1937, a decline of 3·5 per cent as compared with a decline from all sources combined of 1·3 per cent. In contrast, purchases from Germany increased by 15 per cent, Australia 7 per cent, and Canada 6 per cent.

Motor cars, including chassis, were the largest individual import from the United Kingdom into New Zealand in 1938, shipments being valued at \$11,183,280 (\$11,405,996 in 1937). Other items in order of importance, with 1937 values within parentheses, were: electrical machinery and equipment, \$7,886,728 (\$7,453,296); cotton piece-goods, \$4,784,792 (\$6,376,824); apparel, \$4,143,860 (\$5,060,300); woollen piece-goods, \$3,046,864 (\$4,426,528); hardware, \$2,714,400 (\$2,861,936); carpets, linoleums and floor coverings, \$2,360,692 (\$3,267,564); tobacco, cigars and cigarettes, \$2,136,820 (\$2,224,688).

The loss to the United Kingdom by the import regulations is difficult to determine as in many instances merchants who were refused quotas to import from other Empire or foreign countries were granted licences provided they switched their source of supply to the United Kingdom.

Australia.—Imports from Australia in 1938 accounted for 12·91 per cent of total New Zealand imports as compared with 11·5 per cent in 1937. Totals for the two years were \$28,626,608 and \$26,378,288 respectively. The adverse balance of trade was larger with Australia than with any other country in 1937, and prompted the New Zealand Government to raise the duties against a number of items chiefly obtained from Australia. Despite this action, the trade increased and the adverse trade balance in 1938 at \$21,098,272 was again the largest shown, and \$619,652 greater than in 1937. Australia has steadily increased the volume and the variety of her shipments to this market, her proximity and natural advantages making her a logical supplier of a wide range of products.

The principal imports from Australia, with 1937 values within parentheses, were: wheat \$3,065,244 (\$1,707,400); iron and steel bar, bolt and rod, \$1,934,812 (\$1,526,648); sawn timber, \$979,332 (\$694,988); raisins and sultanas, \$886,256 (\$985,036); paints, colours and varnishes, \$660,264 (\$550,596); electrical machinery, \$649,668 (\$742,548); tobacco, cigars and cigarettes, \$591,064 (\$433,396).

United States.—The United States, the second most important supplier to New Zealand in 1937, moved back to third place in the year under review. The value of imports from the United States in 1938 totalled \$26,602,308 as compared with \$27,840,764 in 1937 and represented 12·38 per cent of total imports as compared with 12·4 per cent the year before. The fall in imports from the United States was chiefly due to decreases in the following purchases: motor spirit, \$2,111,108 (\$2,472,376); wireless apparatus, \$593,500 (\$1,271,464); motor cars, \$1,792,164 (\$2,960,976); motor lorries, trucks and buses, \$838,420 (\$951,128); paper, other than printing, \$513,248 (\$555,660). Increases were shown in the following imports: electrical machinery and equipment, \$1,013,492 (\$967,076); sulphur, \$784,136 (\$553,408); parts for motor vehicles, \$517,348 (\$488,416).

Canada.—Canada was again the fourth most important source of supply to New Zealand. Imports from Canada amounted in value to \$19,421,996 as compared with \$18,256,204 in 1937, an increase of \$1,165,792. Imports from Canada will be dealt with in detail in a second article appearing in the next issue of the *Commercial Intelligence Journal*.

TRADE COMMISSIONERS ON TOUR

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, Norway (whose territory includes Sweden, Denmark, and Finland), and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories. Their itineraries are as follows:—

Mr. Grew

Niagara Falls and Thorold	Aug. 21	Halifax	Sept. 4 and 5
St. Catharines	Aug. 22	Kentville	Sept. 6
Hamilton	Aug. 23	Saint John	Sept. 7
Guelph and Hespeler	Aug. 24	Fredericton	Sept. 8
Galt, Kitchener and		Quebec	Sept. 11
New Hamburg	Aug. 25	Ottawa	Sept. 13 and 14
Stratford	Aug. 26	Vancouver, New West-	
London	Aug. 28	minster and Victoria	Sept. 19 to 30
Ingersoll, Woodstock and			
Brantford	Aug. 29		

Mr. Strong

Fredericton and other		Charlottetown	Sept. 1
points in N.B.	Aug. 21 to 23	Quebec	Sept. 5
Halifax	Aug. 30	Ottawa	Sept. 6

Firms wishing to be brought in touch with the Trade Commissioners should communicate: for Vancouver and Victoria, with the office of the Canadian Manufacturers Association; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

TRADE OF SOUTHERN RHODESIA IN 1938

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, July 16, 1939.—According to official returns, the trade of Southern Rhodesia in the calendar year 1938 reached the record total of £21,642,254 as compared with a total of £20,547,669 in the previous year. The value of exports declined, so that imports entirely accounted for the increase in total trade. In spite of the decline in exports, however, there was a favourable trade balance of more than £2,000,000.

The value of tobacco exports in 1938 exceeded those of 1937, due to a record production of this, the colony's principal crop. Unsatisfactory weather conditions prevailing during the growing season resulted in curtailed production of the

other leading agricultural crops which show decreases in the value of exports as compared with 1937. Maize exports in particular declined sharply from the high level reached in 1937, while considerable decreases are also shown in exports of frozen and chilled meats, and cattle hides.

The total value of minerals produced in 1938 increased to £7,695,736 from £7,482,863 in the previous year. In view of the predominant position mining occupies in the economic welfare of Southern Rhodesia, it is of interest to note that 1938 mineral production marked the sixth successive record year. Gold exports in 1938 exceeded those of the preceding year and accounted for almost 50 per cent of the colony's total exports. Of the other important mineral exports, asbestos and coal increased in value while chrome declined.

The general level of trading within the colony in the year under review was eminently satisfactory. Secondary industries continue to be established and the value of building permits issued increased.

TOTAL TRADE

The following table shows the total values of imports and exports, including re-exports, for the past five years:—

Year	Imports	Exports
1934	£5,309,254	£ 6,560,883
1935	6,555,997	6,958,343
1936	7,026,688	7,917,171
1937	8,568,685	11,978,984
1938	9,758,809	11,883,445

For the calendar years 1938 and 1937, gold is included in the export totals shown, being valued at the price current on the day of export. For purposes of comparison, the estimated value of the gold premium—£2,236,000 in 1936. £2,070,000 in 1935, and £1,844,000 in 1934—should be added to the export totals listed in the above table.

PRINCIPAL IMPORTS

Increases as compared with the previous year occurred in the 1938 values of imports under all main headings with the exception of "fibres, yarns, textiles, and apparel," "oils, waxes, resins, paints, and varnishes," and "miscellaneous." The greatest increase was in the "metals, metal manufactures, machinery, and vehicles" group. The following table shows imports into Southern Rhodesia for the calendar years 1938 and 1937 as listed in the trade returns according to main groups:—

Imports into Southern Rhodesia

	1938	1937
Animals, agricultural and pastoral products and foodstuffs	£ 776,277	£ 637,551
Ales, spirits, wines and beverages	180,097	173,200
Tobacco	23,869	20,654
Fibres, yarns, textiles and apparel	1,618,558	1,676,345
Metals, metal manufactures, machinery and vehicles	4,310,215	3,366,729
Minerals, earthenware, glassware and cement	136,945	115,394
Oil, waxes, resins, paints and varnishes	492,635	548,165
Drugs, chemicals and fertilizers	425,997	411,364
Leather, rubber and manufactures thereof	330,558	310,784
Wood, cane, wicker and manufactures thereof	384,855	305,381
Books, paper and stationery	236,879	209,014
Jewellery, timepieces, fancy goods and musical instruments	159,912	139,538
Miscellaneous	370,232	374,951
Total private merchandise	£9,447,029	£8,299,070
Government stores	226,375	197,956
Specie	85,405	71,659
Total imports	£9,758,809	£8,568,685

The import figures indicate the expansion in mining and industry which took place in Southern Rhodesia during 1938. Purchases of railway material such as rolling stock, rails, and locomotives show large increases as well as those

of mining and electrical equipment. Cotton piece-goods imports declined from £528,222 in 1937 to £485,201 in the year under review, but remained the largest single import item. With the exception of cotton piece-goods, motor cars, motor spirit, bicycles, tricycles and parts, and cotton blankets and rugs, the colony's fifteen leading imports showed increases in value in 1938 as compared with the previous year. Figures showing 1938 imports of these commodities, with the 1937 figures within parentheses, are: motor cars, £347,448 (£360,474); railway rolling stock, £340,882 (£41,582); outer garments, £296,351 (£279,361); other mining machinery, £258,335 (£258,009); motor trucks and vans, £236,894 (£210,129); electrical machinery, other, £235,278 (£128,672); heavy rails, £229,025 (£161,672); machinery n.e.e., £209,566 (£170,898); locomotives, £199,981 (£16,757); motor spirit, £187,684 (£246,046); electric cable and wire, £134,969 (£122,913); bicycles, tricycles and parts, £134,685 (£139,316); cotton blankets and rugs, £119,492 (£125,105); pipes and piping, £118,658 (£72,850).

CHIEF SUPPLYING COUNTRIES

The chief countries of supply for imports of private merchandise into Southern Rhodesia in the calendar years 1938 and 1937 are shown in the following table:—

	1938		1937	
	£	Per Cent	£	Per Cent
United Kingdom	4,664,616	49.3	3,841,248	46.2
Union of South Africa	1,420,836	15.0	1,294,070	15.5
United States	842,969	8.9	816,155	9.8
Canada	372,509	3.9	341,832	4.1
Germany	256,848	2.6	220,049	2.6
Japan	188,801	1.9	226,706	2.7
India	187,539	1.9	210,397	2.5
Portuguese East Africa	167,291	1.7	151,815	1.8
Belgium	151,073	1.5	159,895	1.9
Northern Rhodesia	132,141	1.3	82,598	0.9
Iran	115,246	1.2	140,279	1.6
Holland	101,991	1.0	85,891	1.0

Imports of private merchandise from Empire countries amounted to £6,991,709 or 74 per cent of the total in 1938, increasing in both value and percentage from £5,890,896 or 70.9 per cent in the previous year. Total imports of private merchandise from foreign countries were valued at £2,455,320 (26 per cent) in 1938 as compared with £2,408,174 (29.1 per cent) in 1937.

The United Kingdom's share of the total imports of private merchandise in the year under review was approximately one half, showing an increase in both percentage and value. The ten chief items imported from that source were: cotton piece-goods, £447,284 (£487,991 in 1937); railway rolling stock, £331,812 (£38,548); heavy rails, £229,023 (£161,672); locomotives, £193,305 (£15,345); other electrical machinery, £178,993 (£108,824); bicycles, tricycles and parts, £133,045 (£138,109); outer garments, £116,933 (£127,418); electric cable and wire, £111,134 (£113,223); motor cars, £105,730 (£80,731); other mining machinery, £105,719 (£103,551); and machinery n.e.e., £104,529 (£88,342).

The Union of South Africa again occupied second position as a source of supply. The chief imports from that country in 1938 were: blasting compounds, £143,808 (£131,032 in 1937); outer garments, £115,698 (£90,951); motor trucks and vans, £98,550 (£83,048); other wooden furniture, £84,218 (£76,217); and motor cars, £63,497 (£96,865).

Canada, India, and Northern Rhodesia followed next among leading Empire suppliers. The greater part of the imports from India in 1938 consisted of three items: jute bags, £68,903 (£77,216 in 1937); rubber-soled canvas footwear, £33,861 (£37,355); and cotton piece-goods, £31,561 (£34,858); while wooden sleepers valued at £94,138 (£33,853) constituted a large percentage of Northern Rhodesia's share.

OTHER IMPORTANT SOURCES OF IMPORTS

The United States, the leading foreign source of supply for imports, was third on the list of supplying countries in 1938. This country exports a wide range of products to Southern Rhodesia, the more important being motor cars valued at £106,130 in 1938 (£101,616 in 1937); other mining machinery, £94,840 (£101,101); machinery n.e.e., £60,011 (£50,904); motor trucks and vans, £37,213 (£51,344); and motor spirit, £35,066 (£60,572).

Imports from Germany increased in 1938 as compared with the preceding year, and as a result Germany moved up from sixth to fifth position among supplying countries. Principal imports from this source include: other electrical machinery, £37,490 in 1938 (£8,489 in 1937); motor cars, £15,971 (£12,400); battery shoes and dies, £10,459 (£14,254); other mining machinery, £10,413 (£2,572); ploughs, harrows, cultivators and parts, £10,023 (£20,498); secret medicinal preparations, £8,006 (£4,597); machinery n.e.e., £7,749 (£7,485); and transformers, £7,474 (£3,808).

Japan, Portuguese East Africa, and Belgium were the other important foreign suppliers. With the exception of Portuguese East Africa, the value of imports from these countries showed decreases in 1938 as compared with 1937.

PRINCIPAL EXPORTS

The figures covering Southern Rhodesia's export trade in 1938 emphasize the dominant position held by the mining industry. Exports of gold bar amounted to £5,743,397 in 1938 as compared with £5,665,908 in 1937; raw asbestos, £1,267,321 (£1,230,120); chrome, £515,881 (£673,258); and coal, £252,392 (£247,926). These four products were responsible for 64.9 per cent of the colony's exports of private merchandise in 1938 as against 65.5 per cent in 1937. Other mineral exports included: building cement, £64,433 (£68,502); coke and patent fuel, £51,611 (£49,510); tin ore and concentrates, £38,754 (£27,538); tungsten, £33,406 (£39,243); and iron pyrites, £14,840 (£15,215).

Exports of animals, agricultural and pastoral products and foodstuffs declined from £1,379,358 in 1937 to £888,125 in the year under review. Decreases occurred in the case of all the more important agricultural products with the exception of unmanufactured tobacco, exports of which increased from £934,830 in 1937 to £1,261,703. Maize exports declined precipitously from £506,333 to £164,127. Decreases were also recorded in exports of fresh, frozen, or chilled meats, valued at £159,044 in 1938 (£225,812 in 1937); dry cattle hides, £81,603 (£83,459); preserved meats, £63,147 (£69,345); and wet cattle hides, £37,837 (£129,043). Exports of citrus fruits amounted to £41,174 in 1938 as compared with £40,612 in the previous year, while exports of cattle for slaughter were valued at £36,059 (£44,675). Other important agricultural exports were: other cereals in the grain, £17,448 (£14,156); butter, £16,736 (£18,284); and bacon, £10,255 (£9,892).

DESTINATION OF EXPORTS

Southern Rhodesia's domestic exports were valued at £10,574,147 in 1938 as compared with £10,700,442 in 1937. The bulk of these exports—£9,109,898 or 86.1 per cent in 1938 and £8,918,581 or 83.8 per cent in 1937—was sent to Empire markets. The United Kingdom is the most important customer, and took an increased share of the domestic exports, amounting to £7,675,084 (72.5 per cent) in 1938 as compared with £7,428,815 (69.4 per cent) in the previous year. Northern Rhodesia held second place, taking exports to a value of £756,245 (7.1 per cent) in 1938 and £623,044 (5.8 per cent) in 1937, being followed by the Union of South Africa with £458,660 (4.3 per cent) and £535,162 (5 per cent) respectively in the two years. The United States was the leading foreign purchaser, taking domestic exports valued at £378,487 (3.5 per cent) in 1938 as against £651,102 (6 per cent) in 1937. Germany was next with £224,769 or

2.1 per cent (£148,654 or 1.3 per cent in 1937), followed by France, £191,225 or 1.8 per cent (£170,365 or 1.5 per cent); and Belgium, £139,840 or 1.3 per cent (£209,483 or 1.9 per cent).

TRADE WITH CANADA

Imports of private merchandise from Canada in 1938 amounted to £372,509, an increase of £30,677 over the previous year. The Dominion, as in 1937 and 1936, held fourth position as a source of supply.

More than a hundred different products were shipped from Canada to Southern Rhodesia in 1938. The twenty leading items were: motor trucks and vans, £68,130 (£47,409 in 1937); motor cars, £52,028 (£64,975); wheat, £29,780 (£26,653); silk hosiery, £26,528 (£14,536); sodium cyanide, £18,865 (£19,629); motor car parts and accessories, £12,198 (£7,030); manufactures of wood n.e.e., £11,201 (£7,129); motor car tires and tubes, £9,796 (£16,743); ploughs, harrows, cultivators and parts, £9,609 (£11,449); wrapping paper in rolls, £9,353 (£11,154); bands and belting, £8,465 (£8,506); other electrical goods and apparatus, £7,531 (£5,200); printing paper, £7,126 (£6,139); desiccated milk, £6,426 (£4,630); unmanufactured lumber (pine), £6,026 (£5,123); empty boxes, £5,158 (£4,119); preserved fish, £4,843 (£5,295); porcelainware, £4,725 (£6,698); outer garments, £4,603 (£3,801); and iron and steel bar bolts, £4,398 (£263). The above items accounted for £306,816 or 82.3 per cent of the total imports from Canada in 1938 as compared with £276,481 (80.8 per cent) in the previous year.

Additional imports from Canada in 1938 exceeding £1,000 in value were: motor car chassis, £3,756 (£10,629 in 1937); other agricultural machinery and implements, £3,245 (£4,707); shovels, £3,116 (£1,842); typewriters and parts, £3,020 (£2,531); fencing wire, £2,884 (£1,770); binders, reapers, mowers, planters and seeders, £2,790 (£2,976); machinery n.e.e., £2,697 (£1,089); pipes and piping, £2,513 (£3,897); toilet soap, £2,354 (£364); underclothing, other, £2,327 (£1,149); machine tools, £2,237 (£2,644); gauze, sieving and screening, £2,180 (£4,033); apples, £1,888 (£1,987); wire nails, £1,619 (£3,451); solder and brazing alloys, £1,608 (£41); rubber manufactures n.e.e., £1,592 (£2,061); other electrical machinery, £1,512 (£134); oatmeal, £1,284 (£1,022); pickles and sauces, £1,278 (£628); flour, £1,189 (£1,594); preserved vegetables, £1,061 (£625); and patent and proprietary foods, £1,003 (£759).

Domestic exports from Southern Rhodesia to Canada were valued at £504 in the year under review as compared with £161,716 in 1937. There were no shipments of maize during 1938 and this accounts for the decrease in value.

TRINIDAD MARKET FOR OILFIELD SUPPLIES

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Port of Spain, July 1, 1939.—The strong activity evident in Trinidad oilfield operations in 1936-1937 tended to moderate in 1938. Crude oil production amounted to 17,737,061 barrels in 1938 as compared with 15,502,289 barrels in 1937, but the increase was slightly lower than in 1936-1937. Moreover the footage drilled, which had risen from 594,529 feet in 1936 to 911,575 feet in 1937, declined slightly to 905,878 feet in 1938. Producing wells numbered 1,261 in 1938 and 1,170 in 1937.

IMPORTS

Imports of supplies relating to oilfield operations, and especially those from the United States, were less extensive in the fiscal year 1937-1938 than in 1936-1937. The main imports in 1937 and 1938 were as follows:—

Trinidad Imports of Products Suitable for Oilfields

	Total Imports		United Kingdom		United States	
	1938	1937	1938	1937	1938	1937
Refractory products, brick, etc.	\$ 43,155	\$ 48,596	\$ 24,959	\$ 29,246	\$ 18,196	\$ 19,350
Cement	751,480	604,112	631,018	496,769	7,007	11,465
Bars and rods.	97,242	194,606	42,122	68,281	22,543	15,294
Angles, shapes and sections	584,185	493,887	335,848	279,663	205,536	170,522
Tubes up to 6 in. diameter..	2,150,276	2,208,690	1,184,797	961,096	735,745	975,502
Tubes over 6 in. diameter..	1,809,345	2,004,814	1,132,406	1,327,327	314,778	433,925
Bolts, nuts, and rivets . . .	66,294	75,324	38,684	38,058	12,120	21,825
Manufactures of iron and steel, n.o.p.	750,154	646,432	377,421	272,621	272,724	310,249
Manufactures of brass and alloys of copper.	216,126	137,827	122,964	67,296	58,228	45,714
Oil mining machinery	589,871	475,022	43,779	58,124	543,631	409,891
Oil refining machinery	308,533	583,464	44,718	14,258	245,378	516,470
Internal combustion engines, not for vehicles or marine purposes	426,270	145,308	246,724	76,201	139,855	63,148
Steam engines, not for vehicles or marine purposes	37,806	127,406	17,952	62,855	18,927	64,551

It will be noted that the United Kingdom supplied 55 per cent of tubes up to 6 inches in diameter, 62·5 per cent of tubes over 6 inches in diameter, 14·4 per cent of the oil refining machinery, and 7·4 per cent of the oil mining machinery. The United States supplied 34·6 per cent of the tubes up to 6 inches in diameter, 17·3 per cent over 6 inches in diameter, 79·5 per cent of the oil refining machinery, and 92·1 per cent of the oil mining machinery. Germany supplied about 10·9 per cent of the tubes of all kinds.

IMPORTS FROM THE UNITED STATES

In reviewing the heavy imports of oilfield equipment from the United States, it has been pointed out by local authorities that much of it is patented or special equipment not obtainable in the United Kingdom or Canada, or not available at competitive prices. In support of this statement the following products have been listed as being imported extensively from the United States:—

Drilling.—Crown blocks; coring hooks; drill stems; drill bits; drawworks; drilling engines; blowout preventers; winches; weight indicators; drill collars; rotary hoses and spare; vee belts; pump sheaves; tongs; elevators; releasing sligps; tubing head; cement plugs; shoes; collars, etc.; mud screens and spares; fishing tools; drill pipe; drill pipe liners; rubber washers; steel rope and socket assembly; spring coils; drill rig and spares; casing; sucker rods; sucker rod elevators; and sucker rod guides.

Production.—Oil and gas separators; recording gauges and charts; pull rod and clamps; well pumps and parts; stop collars; plunger lift units; cylinder liners and rubber sleeves; band wheel pumping units; regulators; under pulls and band wheel pumping units.

Miscellaneous.—Tanks, 100 and 250 barrels; tractors; welding supplies; boilers and boiler spares; gaskets; valves; wrenches; pump caps; electrical equipment—wire, transformers, switches, fuses, electric lamps, etc.; babbit metal; reinforcing bars; rivets; taps; recording charts and paper; couplings.

Refinery.—Pumps and spares; seamless steel pipes; electrical equipment—pre-heaters, transfer lines, etc.; fractionary trays; return bends and tubes; tanks; ladders; blast valves; pyrometers; cement blocks; fireclay; spiral motors and pumps; pressure valves; drums of catalyst; thermo-couples; steel plates; flow controllers; and recorders.

IMPORTS FROM CANADA

Experience to date would indicate that Canadian firms are most competitive in standard hardware items. As will be noted from the following figures for imports from Canada in 1937 and 1938, the supplies of oilfield requirements from Canada are limited:—

	1938	1937
Cement	\$73,186	\$52,287
Bars and rods	17,810	52,868
Angles, shapes and sections	13,619	21,421
Tubes up to 6 in. in diameter	39,552	58,440
Tubes over 6 in. in diameter	1,009	76
Bolts, nuts and rivets	3,542	5,113
Manufactures of brass and copper alloys	8,186	6,661
Oil mining machinery	1,458	523
Oil refining machinery	3,272	50,838

Hardware items which Canadian firms might be able to supply at competitive prices are as follows:—

Steel bars and rods; steel casing, pump liners; malleable iron pipe; gas, water, and line pipes; iron conduits; bolts and nuts; pipe couplings and fittings; cable wire; chains; steel derricks; nails; iron washers; gaskets; valves; roller bearings; Jardine wrenches; steel drums; pressure gauges; plumbers' brass goods; rope and cordage; electrical equipment—floodlight, condulets, guards, connectors, globes; welding equipment; bolted tanks; concrete machinery; wire gauze; rubber hose; tool handles; steel cabinets; paint and paint brushes; wooden boxes; stationery; cement; firebricks; asbestos packing and sheeting; asbestos brake lining; carbide.

SUPPLY OF BARYTES

The question of obtaining barytes from Canada in commercial quantities has been raised on a number of occasions, and the following outline of conditions governing the import of barytes into Trinidad oilfields will therefore be of interest.

Barytes is used extensively in oil-drilling operations in Trinidad to weight the drilling mud. Imports of this commodity in 1936, 1937, and 1938, by supplying countries, were as follows:—

Imports of Barytes into Trinidad

	1938		1937		1936	
	Cwts.	\$	Cwts.	\$	Cwts.	\$
Total	462,260	427,754	545,100	481,267	509,960	444,425
United Kingdom.. . . .	3,000	2,934	.....	.....	.....	.....
Belgium .. . . .	.....	.....	.....	.....	4,000	2,800
France.. . . .	4,000	3,480	4,000	3,744	4,000	3,120
Germany	284,320	267,509	383,000	339,333	368,920	324,307
Greece.. . . .	240	228	.....	.....	.....	.....
Netherlands.. . . .	.....	.....	6,100	5,490	.....	.....
United States	170,700	153,603	152,000	132,700	133,000	114,150
British East Indies .. . . .	.....	.....	.....	.....	40	48

Increasing efficiency in reclaiming barytes from the impregnated mud has tended to reduce its consumption. It is estimated, however, that requirements will remain fairly constant at about 20,000 tons per year, unless a rise in the price of crude oil encourages drilling.

The oil companies are exacting as to the standard of barytes which they will accept. It must have a specific gravity of not less than 4.25 and a fineness of at least 98.75 per cent to pass a 300-mesh screen. Barytes supplied below this standard has been, and will be, rejected.

Barytes is frequently packed in 120-pound six-ply paper bags, or in double jute sacks.

Germany is the main source of supply. Since 1935, when 5,100 tons of barytes were imported from the United States, however, imports from the latter country have increased by about 1,000 tons each year.

Both the barytes from the United States and that from one German firm are delivered ex-warehouse San Fernando against orders by local oil companies. The remainder is imported direct by the oil companies through local agents.

Prices fluctuate, so that it is not possible to give any definite quotations, but it is known that barytes is imported from Germany at a cost of about 65s. (\$15) c.i.f. per ton and from the United States at \$18 c.i.f. per ton. The latter is quoted ex-warehouse San Fernando at \$23.50 per ton.

Canadian firms wishing to obtain oilfield business are recommended to supply catalogues and quotations direct to the companies and duplicate copies to their head offices and buying offices. A list of the principal companies together with their buying agents may be obtained upon application to the Department of Trade and Commerce, Ottawa.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, July 17, 1939.—The Director of Marketing for New South Wales has issued his estimate of the area in that state which will probably be seeded to wheat for 1939-40 at 4,900,000 acres, representing a decrease of 4·3 per cent compared with the area sown in 1938-39. It is yet too early for an official estimate of the area likely to be sown in Australia as a whole, but information available suggests a decrease in area for the current season. Indications point to an area of approximately 13,500,000 acres as compared with 14,110,000 acres sown in 1938-39.

WHEAT PRICES

June opened with shippers' limits at 2s. 6½d. per bushel (approximately 46 cents Canadian). Favourable news of North American crops was largely responsible for the weakening influence on prices which steadily declined with the month closing with shippers' limits at 2s. 4d. (equivalent to 43 cents Canadian).

The weighted average of shippers' limits during June for the past six years is as follows: 1934, 31·71d.; 1935, 36·59d.; 1936, 42·19d.; 1937, 60·40d.; 1938, 41·85d.; 1939, 28·68d.

EXPORTABLE SURPLUS

Since the beginning of December, Australia has exported wheat and flour equal to 66,241,424 bushels of wheat, leaving an exportable surplus, after allowing for domestic requirements, of 45,682,391 bushels. The exportable surplus at the corresponding date last season was 41,031,368 bushels.

AID FOR THE WHEAT INDUSTRY

The considerable agitation for the passing of legislation to provide a subsidy for Australian wheatgrowers was momentarily lessened early in the month by the appeal of the Prime Minister (Mr. R. G. Menzies) to the State Governments to agree to the policy of acceptance of a wheat export quota of 90,000,000 bushels at the stabilized price of 4s. per bushel (approximately 75 cents Canadian) under an international agreement. (The average of wheat and flour exported from Australia annually during the past ten years is 115,000,000 bushels.) Opposition to this policy was shown by two States which, however, were not opposed to representation of Australia at the International Wheat Conference in London.

The Prime Minister has stated that heavy defence expenditure made the Commonwealth Government unwilling to finance the States to make the wheat industry stable by means of a further increase in the home consumption price over that provided from collections from the flour tax.

Mr. Palmer cables under date August 16 as follows:—

Shipments of wheat and flour from Australia from December 1, 1938, to week ending August 7 totalled 72,330,721 bushels in terms of wheat as compared with 107,920,922 bushels in the corresponding period of the previous season. Indications are that 21,000,000 bushels remain unmarketed. Export markets for Australian wheat are practically dormant notwithstanding the low prices of approximately 2s. 7d. (equivalent to 48 cents Canadian) per bushel

f.o.b. and 2s. 1d. (equivalent to 38 cents Canadian) per bushel to growers at country sidings. Continued favourable crop conditions enhance the expectations of a heavy harvest.

No further sales of flour have been made to China as exchange difficulties prevent transactions, and millers are looking for business. Export quotations for flour are approximately £5 7s. 6d. (equivalent \$20 Canadian) per ton in 49-pound calico bags and £5 (equivalent \$18.61 Canadian) per ton in 150-pound sacks.

Steamers have been chartered to load West Australian wheat during September and October at scheduled rates of 30s. per ton of 2,240 pounds in order to clear stocks of 175,000 tons in that state.

The plan of the Commonwealth Government for assistance to wheat farmers by joint Commonwealth and State advances is being challenged by two States on the ground that it may be unconstitutional.

INDIAN LEATHER INDUSTRY AND TRADE

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.36 Canadian)

Calcutta, June 28, 1939.—With a live stock population estimated at 200,000,000 head of cattle and almost 100,000,000 sheep and goats India is vitally interested in world trade in hides, skins, and leather. During the war, for example, 60 per cent of the upper leather in the boots worn by the Allied armies was made from Indian hides. But India is interested not only in the production and export of raw or semi-finished materials for use by the leather industries in other parts of the world. There is a large and growing industry engaged in the production of various types of leather and leather goods in existence in various parts of the country to-day. The following report presents a review of this business and of various current opportunities for the sale of Canadian leathers in the Indian market.

INDIAN PRODUCTION OF HIDES AND SKINS

India's vast cattle population from time immemorial has provided a basis for the production and export of many types of hides and skins. The industry was based primarily on domestic and foreign demand for cow hides, but total output in recent years has also included large quantities of calf and buffalo hides and of sheep and goat skins. The comparatively limitless supply of raw materials and of tanning agents attracted the attention of some of the earliest British firms established in India and records of commercial development along modern lines in Madras and Bombay presidencies contain frequent reference to tanneries established in those districts. The tanning of various types of leather had, of course, been carried on as a cottage industry in many parts of India prior to the advent of British influence.

RAW HIDES

Raw cattle and buffalo hides, which include the larger sizes of calf skins, originate principally in central and northern India. The principal collecting centres are Agra, Lahore, Cawnpore, and the other larger centres of trade and population in these areas. The hides are dry-salted or air-dried and later

arsenicated for export. If destined for sale to local tanneries or for inland transport they are frequently wet-salted. Depending on the type of stock in the localities in which they originate and on local methods of killing and curing, they may be of many different qualities. The general average of quality is low, as comparatively few cattle are slaughtered in India except in the larger cities or military centres. In addition, a large number of cattle die from age or disease and in other instances the hides have been damaged from branding or from the use of the animals for draft purposes. Government authorities and trade associations have attempted to raise the standard of quality of these products but so far it has proved impossible to overcome much of the carelessness apparent in curing and the tendency to adulteration in order to give the hides added weight.

Calcutta has always been the principal centre for the export of raw hides, although Karachi, owing to its greater proximity to several of the important areas of production, has built up a fairly large trade in these products. Exports have consisted largely of cow hides, which accounted for Rs.8,740,037 out of a total value of exports of all raw hides in 1938-39 of Rs.10,241,115. Buffalo hides and calf skins accounted for Rs.1,233,096 and Rs.236,282 respectively, the small balance of Rs.31,700 representing miscellaneous exports of this type. Except for the war years, Germany has been India's principal customer for cow hides; in fact, it was largely through the influence of German firms in India that the trade as it exists to-day was developed. Exports to the German market in pre-war years averaged some 33½ per cent of the total, but they have since fluctuated considerably and in general have been below their earlier levels. During 1938-39 they were valued at Rs.2,524,047. Other principal purchasers have been Italy, the United Kingdom, Finland, and Greece, the latter country at the same time having been India's best customer for exports of raw buffalo hides.

RAW SKINS

The trade in raw skins, although of more recent development, is considerably more valuable than that in hides. It is concerned to a large extent with goat skins and has received great encouragement from the development of the chrome tanning process and the new regular demand for glacé kid. In addition, the product is one of recognized quality, practically all of the animals having been slaughtered for food and the skins being accordingly in sound and uniform condition. India controls a large share of total world trade in both raw and tanned skins, some 33½ per cent of all exports from producing countries being credited to this country.

Goat skins of varying types and qualities originate in practically every part of India, several of the grades in greatest demand coming from districts in Bengal and the Punjab. Sheep skins, which are in general much inferior in quality, are produced in large quantities in Bihar and Orissa and in the neighbourhood of Madras. There is a much larger domestic consumption of skins than of hides, but it is difficult to estimate the total value of Indian production of the former.

Exports of raw skins have exceeded Rs.30,000,000 per year, although the recent general depression in overseas markets brought the 1938-39 value down to Rs.27,844,762. Of this amount goat skins made up Rs.25,646,431; sheep skins, Rs.963,248; and other skins, Rs.1,235,083. Calcutta is the principal export centre for this trade also, although Karachi and Bombay figure much more

prominently in it than in the trade in hides. With regard to export markets, the United States provides the bulk of the demand, that country's imports of skins from India having accounted for over 50 per cent of the total business in goat skins in recent years. The United Kingdom, Australia, and France are the other leading markets.

TANNED HIDES

India's tanning industry has not to date achieved more than a moderate degree of success in the production of cow or buffalo hides. For some time there was a considerable trade in half-tanned hides to the United Kingdom, where the goods were curried and a finished leather produced. These East India "kips" were in great demand during the war years and the trade still continues. The industry is centred in Madras, which port controls over 95 per cent of the foreign trade; while the United Kingdom purchases over 90 per cent of all exports. Tanned cow hides are the most important item, followed in importance by calf skins and buffalo hides. Exports of these three varieties in 1938-39 were valued at Rs.18,154,033, Rs.3,118,305, and Rs.1,462,305, respectively.

TANNED SKINS

As in the case of raw products, India's trade in tanned skins is of considerably greater value than that in hides. The industry is concerned principally with the output of lightly tanned goat and sheep skins. These have earned a reputation for high quality and are in large foreign demand. In contrast to the trade in the raw product, sheep skins figure prominently along with goat skins in this branch of the business and in some years have contributed the largest share towards total exports. This industry also is centred in Madras presidency, in some districts of which the business has been established for many generations, with the result that methods of production and the skill of individual workers have reached an unusually high degree of perfection. The total value of the trade in 1938-39 was Rs.24,814,564, a figure considerably below the records established in the two preceding years. Madras was credited with 97 per cent of the total value of production and the United Kingdom market took 92 per cent of all shipments.

It may be noted that, although the United Kingdom is the original destination of many shipments of Indian hides and skins, substantial quantities of the goods are believed to be later transhipped to continental countries.

TANNING INDUSTRY

The abundance of raw products has long encouraged the maintenance of a tanning industry in many parts of India. An additional incentive to the business has been the availability of a considerable variety of tanning materials. The bark of the *cassia auriculata* is procurable in ample quantities in both Madras and Bombay presidencies, and acacia pods and bark, Indian sumach, mangroves, and myrabolams are also available both in quantity and at low cost. With improved direction, towards which various governments have been giving much practical assistance, the industry may be expected to show considerable further expansion, although the sluggish development of local demand for leather products and the resulting dependence of the trade on export markets acts as a severe restriction on the investment of capital in plant and equipment and on the adoption of up-to-date methods of production.

Data relative to the extent and capacity of the industry are comparatively scarce. This is partly due, of course, to the impossibility of compiling records of the large number of establishments engaged in leather tanning on a small scale, many of which operate only in those years when crops are poor and when the supply of hides and skins is correspondingly heavier than usual.

Statistics of Indian industry show a total of 24 tanning establishments as having been in operation during 1936. Most of these were located in the United Provinces, Madras, Bengal, Bombay, and the Punjab. Employees engaged in these establishments numbered slightly over 4,200. These totals are subject to limited increases if the tanneries in the Indian states of Hyderabad and Mysore and the French Indian colony of Pondicherry are taken into consideration.

No accurate figures of annual output have been compiled, but it is estimated that in normal times the domestic market consumes approximately the same quantity as that exported. On this basis, therefore, the average yearly production of Indian tanning factories is in the neighbourhood of 40,000 tons, of which two-thirds are hides, and the average value of its output about Rs.100,000,000. It will be obvious that these imposing figures represent a larger output from other establishments than those whose existence and payroll are included in local statistics of industrial production and equally clear that this trade occupies an important place in India's economic scheme.

LEATHER MANUFACTURES

Leather has been in demand throughout India for generations for the making of the many varieties of footwear in use in different parts of the country. It is used as well in the production of saddlery, travelling equipment, and for a wide range of industrial purposes. One of its most important uses, both before and since the commencement of European influence, has been for the manufacture of military equipment of many kinds. The Government factory at Cawnpore is to-day one of the largest individual consumers of various types of leather in the country.

The United Provinces and Madras are the principal areas of production, each of these provinces having been credited with five out of the total of fourteen large establishments engaged in the manufacture of leather goods and boots and shoes in 1936. The remaining four were located in Bengal, Bombay, and Sind. The number of workers in these factories was considerably larger for each unit than in the case of tanneries. The total number was 4,716, of which 2,800 were employed in factories in the United Provinces, notably in Cawnpore.

Obviously the foregoing figures do not include the vast number of small establishments scattered throughout India engaged in the manufacture of footwear, travelling equipment, and other leather goods in common demand. Practically all of these depend on hand methods and use nothing but the most primitive types of machinery. The larger cities have many such concerns. It is an interesting feature of the boot and shoe industry that in the principal ports much of the trade is in the hands of Chinese. Agra, a city of only average size, has long been one of the principal centres of the footwear industry; while, in Bengal particularly, the factor of greatest current interest is the recent establishment of a modern factory by the Bata interests and the concurrent development of an extensive system of retail shops engaged in the sale of this company's locally made and imported products.

MARKET FOR IMPORTED LEATHER

It will be evident from what has been said about the production of leather in India and the extensive export of several types of these goods that the market for imported leather must be comparatively limited. Statistics of imports reveal that it is distinctly limited for tanned or dressed hides but that there is a reasonably large and regular demand for prepared skins, as well as for numerous leather manufactures. Brief comments on the trade in the principal items concerned are given below.

TANNED AND DRESSED HIDES

Imports of tanned and dressed hides are believed to consist of little more than the limited volume of sole leather required for the manufacture of high-

quality footwear in a few shops in the larger ports and for a small output of pickers and similar mill equipment. Total imports were valued at Rs.28,681 in 1938-39. The United Kingdom and the United States are the only important sources of supply.

TANNED AND DRESSED SKINS

There is a substantial importation of tanned and dressed skins and "unwrought" leather into the Indian market. Most of this business is in patent, calf, and various types of fancy leathers. These are required for the most part for the manufacture of footwear, but are in demand as well for the production of other leather articles such as saddlery, ladies' handbags, golf bags, motor-car seat covers, and various items of jute and cotton mill equipment. The United States and Germany are the leading suppliers of prepared skins, most of which are for shoe manufacture. The United Kingdom also figures prominently in this trade and dominates the business in unwrought leathers. Imports of tanned and dressed skins were valued at Rs.1,188,899 in 1938-39, a figure slightly below the average of preceding years, and imports of unwrought leathers at Rs.591,026.

LEATHER BELTING

Leather belting is the most important single item in India's fairly large import of leather manufactures. Imports of leather belting have been valued at an average of Rs.2,300,000 during the last six years and in 1938-39 had a recorded value of Rs.2,292,747. Over 70 per cent of all such imports originate in the United Kingdom and most of the remainder in the United States. The market for good-quality leather belting as required by the jute and cotton industries particularly is comparatively free from domestic competition, owing to the generally low grade of Indian hides; but it is still subject to severe competition from rubber, hair, and other types, rendering it essential for manufacturers to supply a first-class article at competitive prices. The business is rendered additionally competitive by the old-standing relationships between managing agents of local mills and belting manufacturers abroad. This feature of the trade makes it impossible for some of the latter to extend their sales beyond the limited number of mills controlled by their agents as well as for independent representatives to do business with many of the larger consumers.

MILL EQUIPMENT

Pickers, picking bands and straps, and roller skins form another important group of leather imports. These articles are required principally by the Bombay cotton industry and to a smaller extent by the jute mills in Bengal. To a large extent mills purchase from associated firms engaged in the production of these goods in the United Kingdom and, their processes having been based on the use of certain qualities, they are generally reluctant to make any change in sources of supply. Imports of picking bands and straps were valued at Rs.865,988 in 1938-39, those of roller skins at Rs.787,328, and those of pickers at Rs.693,716. The United Kingdom and France furnish most of the imports of picking bands and straps, while the United Kingdom supplies some 90 per cent of the imports of the other two lines.

BOOTS AND SHOES

Due to competition from the domestic industry, limited demand from the Indian population for boots and shoes made in foreign style, and a small European population, the Indian market for imported leather footwear is comparatively unimportant. There is a certain amount of business to be done with European departmental stores and smaller retail shops but most of it is in low-priced goods. Total imports of leather footwear in 1938-39 amounted in value to Rs.1,184,417, and those of footwear made of leather and other materials to

Rs.21,755. Czecho-Slovakia supplies some 70 per cent of the imports, the remainder being largely in the hands of manufacturers in the United Kingdom.

OTHER LEATHER IMPORTS

There is an established import trade in other types of leather manufactures such as trunks and bags, saddlery and harness, ladies' handbags, sporting goods, and a variety of other products. Imports of trunks and bags of United Kingdom, German, and Japanese manufacture amount to some Rs.150,000 per year in value, and those of saddlery and harness to about one-third of that amount. All such business is based principally on the demands of the European and transient population and in view of increasing domestic competition must remain of limited extent.

IMITATION LEATHER AND LEATHER CLOTH

Although the product is actually beyond the scope of this report and is in some instances competitive with various leathers, brief reference may still be made to India's considerable purchases of imitation leather. This product, in various forms, is in regular use by the Indian railways, the motor car and carriage building and repairing industry, the upholstery trade, and similar consumers. Exclusive of oil- and floor-cloth, imports amount in value to more than Rs.500,000 per year, the actual value in 1938-39 being Rs.593,372. Recent trade in this commodity, which is required in a wide variety of designs and qualities, has originated principally in the United Kingdom, United States, and Japan.

CUSTOMS TARIFF

The Indian customs tariff provides for various duties on leather and leather products. Of the types which might be sold in this market by Canadian firms, tanned and dressed skins and unwrought leather since May 27 are subject to a standard rate of duty of 25 per cent ad valorem as compared with the former standard rate of 30 per cent ad valorem and a preferential rate applying to United Kingdom products of the same type of 20 per cent. This new rate of 25 per cent is now applicable to imports from all other countries. Leather belting of all types and of whatever origin is dutiable at 10 per cent ad valorem. Other commodities in this general group are subject to the following rates: hides and skins, not otherwise specified, 25 per cent; hides and skins, raw or salted, free; saddlery, harness, trunks, and bags, 25 per cent; artificial leather and miscellaneous leather manufactures, 25 per cent; boots and shoes, 25 per cent or 6 annas per pair, whichever is higher.

MARKET FOR CANADIAN LEATHERS

Canadian leather and leather products are practically unknown in the Indian market. This is due to a large extent to lack of familiarity on the part of Canadian exporters with local conditions, as well as to severe competition offered by the United Kingdom, the United States, Germany, and various other countries in a fairly restricted field.

As regards the types of leather which can normally be exported from Canada to open markets such as India's, it may be said that black and plain coloured patents, various grades of calf uppers, white buck, belting, and several other lines should eventually be sold regularly in India except under abnormal conditions. To sell in this market, Canadian firms will have to overcome the long-standing preference for well-known United Kingdom, United States, and European brands and qualities as well as the insistence of most Indian importers on the lowest of all low prices and the most lenient of terms. The market is not one from which a large volume of orders are to be expected or considerable profits realized. However, if Canadian firms made individual surveys of local condi-

tions and concluded mutually agreeable arrangements with substantial and reliable representatives Canadian trade to the Indian market in a variety of leather goods would undoubtedly show substantial improvement.

Tanners and exporters who may require information relative to qualities in demand, packing, representation, and all other factors affecting the sale of their products to this territory are requested to communicate with the Canadian Trade Commissioner, Calcutta.

EXTERNAL TRADE OF CYPRUS IN 1938

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[Values are in Cyprus pounds, one Cyprus pound being equivalent to £1 sterling; one Cyprus piastre (cp.) is equal to 1½d.; one oke is the equivalent of 2·832 pounds.]

Cairo, June 15, 1939.—According to figures recently issued by the Cyprus authorities, the total value of imports (excluding specie) into the island during 1938 was £2,246,435 as compared with £2,219,429 in 1937, an increase of £27,006 or 1·22 per cent. Exports of merchandise amounted to £2,478,256 as compared with £2,180,048 in the previous year, an advance of \$298,208 or 13·68 per cent. The balance of commodity trade showed a surplus of £231,821, as against a deficit of £39,381 in 1937, while the balance of total trade, visible and invisible, presented surpluses of £366,821 and £162,609, invisible exports and imports respectively being estimated at £437,000 and £302,000 in 1938, and at £446,000 and £244,000 in the preceding year.

IMPORTS

The following table shows the value of imports into Cyprus in 1938 and 1937, under the main classifications, as compared with the quinquennial average 1933-37:—

Imports into Cyprus by Commodity Groups

	1938	1937	Average 1933-37
Food, drink and tobacco	£ 478,272	£ 571,322	£ 382,197
Raw materials and articles mainly unmanufactured	226,707	205,497	125,519
Articles wholly or mainly manufactured	1,539,787	1,441,071	1,063,982
Animals, not for food	612	582	341
Bullion	1,057	957	662
Total	£2,246,435	£2,219,429	£1,572,701

SOURCES OF SUPPLY

Subjoined is a table indicating sources of supply for imports in 1938 and 1937:—

Imports into Cyprus by Countries

	1938	1937
Total all countries	£2,246,435	£2,219,429
British Empire: Total	1,089,141	1,026,436
United Kingdom	727,164	661,379
Australia	141,278	160,406
India	121,342	147,669
Canada	36,079	29,573
Palestine	28,047	11,488
Other countries: Total	1,157,294	1,192,993
Roumania	178,675	208,897
Germany	141,600	153,534
Greece	91,310	82,790
United States	89,986	70,102
Belgium	74,659	70,577
Italy	62,517	66,417
France	53,802	33,632
Egypt	47,937	90,124
Japan	45,520	52,149

	1938	1937
Czecho-Slovakia	£ 42,504	£ 32,312
Holland	36,695	30,559
Syria	31,503	44,487
Sweden	29,675	25,365
Iraq	29,393	29,839
Yugoslavia	28,323	27,205
Brazil	25,824	16,887

The British Empire's share of imports into Cyprus rose from 46·25 per cent in 1937 to 48·48 per cent in 1938, while that of other countries declined accordingly from 53·75 to 51·52 per cent.

The following countries showed notable increases over 1937: the United Kingdom, Canada, Palestine, Greece, the United States, Belgium, France, Czecho-Slovakia, Holland, Sweden, Yugoslavia, Brazil, and Soviet Russia. The advances were due chiefly to larger imports of textiles, electrical goods, tires and tubes for motor cars and motor cycles, blasting powder and dynamite, fuses and detonators, and sugar (United Kingdom); of motor cars and chassis (Canada); of cement and machinery (Palestine); of leaf tobacco (Greece); of machinery and lubricating oils (United States); of iron bars and joists, cotton manufactures, and machinery (Belgium); of silk goods, and iron and steel and manufactures thereof (France); of boots and shoes, timber, machinery, and iron and steel and manufactures thereof (Czecho-Slovakia); of preserved milk (Holland); of timber (Sweden); of cement and timber (Yugoslavia); of raw coffee (Brazil); and of crude petroleum (Russia).

The principal countries affected by decreases were: Italy, Egypt, Japan, Denmark, Turkey, Bulgaria, Roumania, Germany, Syria, Australia, and British India. With respect to Australia, the decrease is to be attributed to the falling-off in the price of flour during 1938, the quantity imported from that country being greater than in the previous year.

PRINCIPAL IMPORTS

The values of the chief items of import into Cyprus during 1938 and 1937 are shown in the following table:—

Principal Imports into Cyprus

Commodity	1938	1937	Inc. or Dec.
Beans and peas	£10,554	£17,203	— £ 6,649
Butter	22,379	19,361	+ 3,018
Coffee, raw	25,748	16,675	+ 9,073
Fish	18,720	20,682	— 1,962
Flour, wheaten	163,073	203,195	— 40,122
Wheat	34,648	77,787	— 43,139
Bean oil	11,866	28,356	— 16,490
Coconut oil	14,029	11,722	+ 2,307
Rice	17,103	17,247	— 144
Sugar	32,498	27,779	+ 4,719
Tobacco, leaf	42,082	29,707	+ 12,375
Asphalt and bitumen	14,023	9,302	+ 4,721
Petroleum, crude	56,367	56,262	+ 105
Timber	113,558	94,811	+ 18,747
Cement	33,884	30,882	+ 3,002
Chemicals	35,549	38,181	— 2,032
Electrical goods	28,200	20,266	+ 7,934
Hardware and cutlery	35,011	31,643	+ 3,368
Iron bars, rods, etc.	29,825	26,413	+ 3,412
Iron piping and parts	15,237	20,227	— 4,990
Iron and steel manufactures, other	57,162	53,096	+ 4,066
Leather, dressed	23,122	26,363	— 3,241
Leather, sole	26,494	31,218	— 4,724
Machinery, mining	115,208	151,467	— 36,259
Oil engines	17,636	17,096	+ 540
Machinery, other	88,289	65,651	+ 22,638
Manure, chemical	49,557	45,938	+ 3,619
Medicines (including drugs)	27,387	27,629	— 242
Motor cars and chassis	63,448	61,986	+ 1,462
Tires and tubes for motor cars and motor cycles	26,206	23,312	+ 2,894

Principal Imports into Cyprus—Concluded

Commodity	1938	1937	Inc. or Dec.
Benzine	£ 40,154	£ 57,965	—£17,811
Kerosene	24,141	27,925	— 3,784
Cotton yarns and threads	54,284	42,825	+ 11,459
Cotton piece-goods	131,021	109,766	+ 21,255
Cotton manufactures	49,949	39,809	+ 10,140
Sacks, empty	33,196	31,546	+ 1,650
Silk (including artificial silk) piece-goods	32,193	30,651	+ 1,542
Silk (including artificial silk) manufactures	22,858	17,729	+ 5,129
Woollen piece-goods	79,329	59,704	+ 19,625
Woollen manufactures	21,047	16,028	+ 5,019

Imports of textiles, raw coffee, and leaf tobacco, which showed appreciable increases, denote added prosperity and spending power. The advance in imports of timber was due to building expansion. Although the item "mining machinery" declined by £36,259 as compared with 1937, it was, nevertheless, £46,038 above the quinquennial average 1933-37. The decrease of £40,122 in imports of flour was due to a recession in price; the quantity imported (338,227 cwts.) was 17,594 cwts. more than in 1937. The increase in the tariff as from June 2, 1938, and abnormal imports in 1937 were mainly responsible for smaller purchases of wheat during the past year. Imports of petrol and benzine also declined in 1938 due to abnormally large shipments in the year previous.

STATISTICAL ANALYSIS OF IMPORTS

Following is a statistical analysis of the commodities of interest to Canadian exporters imported into Cyprus in 1938, the figures for 1937 being given for comparative purposes within parentheses:—

Wheat Flour.—Total imports, £163,073 (£203,195): United Kingdom, £488 (£197); Australia, £132,496 (£154,898); British India, £29,714 (£47,845); Canada, £58 (nil); Malta, £9 (nil); Palestine, £6 (£4); and United States, £392 (£242). Preferential tariff (extended to the British Empire), £2 per ton (2,240 lbs.); general tariff, £5 per ton.

Wheat.—Total imports, £34,648 (£77,787): British India, £1,799 (£1,670); Egypt, £1 (£24,022); Iraq, £28,939 (£29,232); Roumania, £6 (£1); and Syria, £3,903 (£15,503). Preferential tariff, 1s. per cwt.; general tariff, 2s. per cwt. Some quantities of Canadian wheat have been imported into Cyprus in the past few months.

Cheese (Common).—Total imports, £1,284 (£4,267): Canada, £32 (£160); Bulgaria, £658 (£2,338); Egypt, £316 (£116); Greece, £128 (£468); Italy, £1 (nil); and Yugoslavia, £149 (£1,182). Preferential tariff, 3 cp. per oke; general tariff, 4½ cp. per oke.

Preserved Milk.—Total imports, £9,730 (£9,468): United Kingdom, £1,961 (£5,883); Denmark, £184 (£100); Holland, £7,511 (£3,436); Switzerland, £54 (£46); and United States, £20 (£3). Preferential tariff, 1cp. per oke; general tariff, 1½cp. per oke.

Spirituuous Beverages.—Total imports of spirituous beverages in bottles, £4,394 (£4,035): United Kingdom, £4,269 (£3,804); Canada, £15 (£45). Preferential tariff, 15s. per gallon; general tariff, 30s. per gallon.

Total imports of spirituous beverages in casks, £56 (nil), from the United Kingdom. Preferential tariff, 18s. per gallon; general tariff 30s. per gallon.

Leaf Tobacco.—Total imports, £42,082 (£29,707): Greece, £38,342 (£26,820); United States, £2,033 (£2,201). Preferential tariff, 2s. 1cp. per oke; general tariff, 2s. 5cp. per oke.

Timber.—Total imports of planks, boards, logs, beams, and rafters of mahogany, walnut, oak, teak, and beech, £2,941 (£2,669), largely from Roumania. Preferential tariff, 4cp. per cubic foot; general tariff, 6cp. per cubic foot.

Total imports of other planks, boards, logs, beams, and rafters, £86,727 (£67,946): Australia, £1,072 (£103); Canada, £1,491 (£144); Roumania, £60,769 (£52,342); Sweden, £13,374 (£11,296); the remainder from British Guiana, Austria, Czecho-Slovakia, Greece, Italy, Turkey, United States, and Yugoslavia. Preferential tariff, 2½cp. per cubic foot; general tariff, 3½cp. per cubic foot.

Timber (ready cut for fruit cases).—Total imports, £20,734 (£21,194): Roumania, £20,713 (£21,045); and the remainder in 1938 from Italy, Egypt, and Syria. Duty-free under both the general and the preferential tariff.

Railway Sleepers.—Total imports in 1938, £971: United Kingdom, £913; and Canada, £58. Preferential tariff, 2½cp. per cubic foot; general tariff, 3½cp. per cubic foot.

Poles.—Total imports in 1938, £1,648: Czecho-Slovakia, £1,642; and Turkey, £6. Preferential tariff, 2½cp. per cubic foot; general tariff, 3½cp. per cubic foot.

Galvanized Wire (including Wire Netting).—Total imports in 1938, £3,076: Belgium, £1,176; United Kingdom, £776; and the remainder from Palestine, Austria, Czecho-Slovakia, France, Germany, Italy, and Japan. Preferential tariff, 16 per cent ad valorem; general tariff, 24 per cent ad valorem.

Hardware and Cutlery.—Total imports in 1938, £35,011: Germany, £10,169; United Kingdom, £8,595; Japan, £3,064; France, £3,059; Czecho-Slovakia, £1,970; Italy, £1,562; Austria, £1,340; Sweden, £1,204. Canada participated in this trade to the amount of £135. Preferential tariff, 16 per cent ad valorem; general tariff, 24 per cent ad valorem.

Ploughs.—Total imports, £896 (£707): Germany, £431 (£365); Czecho-Slovakia, £222 (£177); United States, £31 (£105); and Greece, Hungary, Switzerland, and Soviet Russia. Duty-free.

Reapers.—Total imports, £91 (£1,245). The only contributor in 1938 was Soviet Russia. In 1937 the sources of supply, by order of importance, included the United Kingdom, Czecho-Slovakia, and Germany. Free of duty.

Tractors.—Total imports, £2,093 (£120): Hungary, £526 (nil); the United States, £1,567 (nil); and the United Kingdom, nil (£120). Duty-free.

Mining Machinery.—Total imports in 1938, £115,208: United Kingdom, £55,887; United States, £28,615; Germany, £17,317; Belgium, £8,294. Canada's share amounted to £348. Duty-free.

Windmills.—Total imports, £2,682 (£935): United States, £2,518 (£935); and United Kingdom, £164 (nil). Duty-free.

Boots and Shoes of Rubber.—Total imports in 1938, £2,778: Japan, £980; Czecho-Slovakia, £926; Canada, £525; and the remainder from the United Kingdom, Yugoslavia, etc. Preferential tariff, 20 per cent ad valorem; general tariff, 40 per cent ad valorem.

Dressed Leather.—Total imports, £23,122 (£26,363): British India, £7,055 (£8,606); Egypt, £3,004 (£4,154); Hungary, £2,685 (£3,169); France, £2,496 (£1,628); other supplying countries, the United Kingdom, Germany, Holland, Belgium, Czecho-Slovakia, Syria, the United States, etc. Canada's share, largely composed of patent leather, amounted to £427 (£432). Preferential tariff, 16½ per cent ad valorem; general tariff, 25 per cent ad valorem.

Printing Paper.—Total imports, £5,335 (£7,264): Austria, £3,124 (£4,249); United Kingdom, £886 (£902); and Germany, Czecho-Slovakia, Finland, Norway, Sweden, etc. Duty-free.

Motor Cars and Omnibuses.—Total imports, £39,634 (£30,078): United Kingdom, £30,130 (£20,476); Canada, £7,819 (£7,311); United States, £1,155 (£1,160); and France, Germany, and Italy. Preferential tariff, 10 per cent ad valorem; general tariff, 30 per cent ad valorem.

Chassis for Motor Cars, etc.—Total imports, £23,814 (£31,908): United Kingdom, £5,866 (£16,380); Canada, £16,382 (£13,330); and United States, £1,566 (£2,198). Preferential tariff, 10 per cent ad valorem; general tariff, 30 per cent ad valorem.

Parts of Motor Cars, Chassis, etc.—Total imports, £11,093 (£9,425): United Kingdom, £5,810 (£4,892); Canada, £790 (£555); United States, £3,851 (£3,562); and Belgium, Germany, France, etc. Preferential tariff, 10 per cent ad valorem; general tariff, 30 per cent ad valorem.

Tires and Tubes for Motor Cars and Motor Cycles.—Total imports, £26,206 (£23,312): United Kingdom, £18,039 (£14,166); Canada, £5,579 (£5,738); United States, £2,157 (£2,762); and Belgium, France, Germany, and Japan. Preferential tariff, 10 per cent ad valorem; general tariff, 30 per cent ad valorem.

EXPORTS

The following table shows the value of exports from Cyprus, under the main commodity groups, for each of the last two years and the quinquennial average 1933-37:—

Exports from Cyprus by Commodity Groups

	1938	1937	Average 1933-37
Food, drink and tobacco	£ 719,129	£ 698,864	£ 539,062
Raw materials and articles mainly unmanufactured	1,584,690	1,327,050	704,070
Articles wholly or mainly manufactured	149,444	128,398	108,115
Animals, not for food	24,875	24,113	30,825
Bullion	118	1,623	4,490
Total	£2,478,256	£2,180,048	£1,386,562

DESTINATIONS OF EXPORTS

Subjoined is a table indicating the direction and quantitative and percentage distribution of exports from Cyprus in 1938 and 1937:—

Final Destination	1938	1937	1938	1937
	£	£	Percentage	
United Kingdom.. . . .	594,485	522,541	23.97	23.97
Parts of the British Empire	113,075	145,895	4.56	6.69
Germany	871,365	549,800	35.16	25.22
Egypt	177,705	165,313	7.17	7.58
France	166,846	121,099	6.74	5.56
Holland	146,635	148,062	5.92	6.79
United States	88,610	216,491	3.58	9.93
Belgium	86,076	65,808	3.47	3.02
Syria	44,253	38,248	1.78	1.75
Italy	35,029	37,351	1.41	1.71
Roumania	30,231	33,745	1.22	1.55
Greece	25,688	24,254	1.04	1.11
Norway	20,199	15,951	0.82	0.73
Denmark	19,188	38,688	0.78	1.78
Sweden	14,422	12,239	0.58	0.56
Yugoslavia	8,467	861	0.34	0.04
Czecho-Slovakia	8,276	6,360	0.34	0.29
Other countries	27,706	37,342	1.12	1.72
Total	2,478,256	2,180,048	100.00	100.00

The increase in exports to the United Kingdom was principally due to larger shipments of ground carobs, asbestos, metallic precipitates, raisins, potatoes, and wine. Cupreous concentrates and cupreous pyrites were responsible for the rise in exports to Germany, which continued to head the list of purchasing countries. The slight increase in exports to Egypt is to be attributed to cuminseed and wine. Larger shipments of cupreous pyrites were mainly responsible for the increased exports to France, while zinc ore and concentrates were the items which accounted for an advance in exports to Belgium. The increase in exports to Sweden is to be ascribed to asbestos, and larger shipments of citrus fruit raised the value of exports to Norway. Exports to Holland, Italy, Roumania, Greece, and Czecho-Slovakia remained more or less at the same level as compared with 1937. Noticeable decreases occurred in exports to the United States and Denmark, the responsible items being asbestos, cupreous concentrates, terra umbra, and wool in the case of the former, and asbestos and cupreous pyrites in that of the latter. On the whole, exports showed a satisfactory increase.

PRINCIPAL EXPORTS

The following table shows the values of the principal items of export from Cyprus in 1938 and 1937:—

Commodity	1938	1937	Inc. or Dec.	
Animals:				
Donkeys.. . . .	£ 3,304	£ 3,013	+£	291
Mules.. . . .	20,372	20,015	+	357
Oxen.. . . .	28,290	31,911	—	3,621
Artificial teeth.. . . .	25,207	24,666	+	541
Beans and peas.. . . .	2,103	5,413	—	3,310
Carobs:				
Whole.. . . .	56,261	52,406	+	3,855
Ground.. . . .	218,052	152,311	+	65,741
Seed.. . . .	11,703	34,114	—	22,411
Cheese.. . . .	23,293	19,299	+	3,994
Barley.. . . .	9,608	21,611	—	12,003
Embroidery and needle-work.. . . .	18,056	18,934	—	878
Almonds in the shell.. . . .	9,861	25,572	—	15,711
Almonds, shelled.. . . .	6,542	10,409	—	3,867
Grapes.. . . .	7,672	6,564	+	1,108
Lemons.. . . .	11,269	11,283	—	14
Oranges.. . . .	84,408	88,504	—	4,096

Commodity	1938	1937	Inc. or Dec.
Pomegranates..	£ 5,358	£ 8,540	—£ 3,182
Raisins..	29,029	25,148	+ 3,881
Juices, grape or must..	9,804	10,404	— 600
Tobacco, fumigated..	3,800	3,369	+ 431
Tobacco, yellow leaf..	2,300	6,232	— 3,932
Onions and garlic..	14,042	7,780	+ 6,262
Potatoes..	71,496	82,276	— 10,780
Vinegar..	3,707	3,613	+ 94
Wine, ordinary..	71,471	64,230	+ 7,241
Cotton, raw..	6,829	14,625	— 7,796
Hides and skins, raw..	10,268	14,662	— 4,394
Asbestos..	88,291	126,321	— 38,030
Chromium ore..	19,736	1,202	+ 18,534
Cupreous concentrates..	768,247	435,488	+ 332,759
Cupreous pyrites..	488,593	363,073	+ 125,520
Metallic residues..	67,595	142,957	— 75,362
Terra umbra..	11,809	19,263	— 7,454
Yellow ore..	9,605	34,771	— 25,166
Pyrene oil..	12,146	15,899	— 3,753
Cuminseed..	20,131	12,262	+ 7,869
Linseed..	5,324	7,258	— 1,934
Sumac..	9,014	7,310	+ 1,704
Wool..	17,645	115,266	— 97,621

Exports of carobs increased considerably during the year under review, about 98 per cent of them going to the United Kingdom. Cupreous concentrates and cupreous pyrites are the items which showed the greatest increases in the list of exports; the former were shipped to Germany and the United States, and the latter were forwarded chiefly to France, Holland, Germany, Roumania, Belgium, and Italy. Of the other mining products, asbestos, metallic precipitates, yellow ore, and terra umbra showed appreciable advances. Exports of onions, cheese, cuminseed, and sumac increased; wine (ordinary) decreased in quantity but rose noticeably in value; and wool, carob seed, almonds, barley, potatoes, raw cotton, beans, peas, pomegranates, and tobacco showed decreases.

TRADE WITH CANADA

According to Cyprus official statistics, imports from Canada were valued at £36,079 in 1938 as against £29,573 in 1937, an increase of £6,506, and exports to the Dominion at £576 as compared with £77 in the previous year, an advance of £499. There was a balance in favour of Canada of £35,503 in 1938, as compared with £29,573 in 1937, a rise of £5,930.

Imports from Canada were detailed as follows, the figures for 1937 being within parentheses: cheese, £39 (£222); fish, £192 (£184); dressed leather, £427 (£432); machinery, £375 (£1); motor cars and chassis, £24,201 (£20,641); motor car parts, £790 (£555); timber, £1,549 (£144); tires and tubes for motor cars and motor cycles, £5,579 (£5,738); all other articles, £2,927 (£1,656). The increase in imports of motor cars and chassis and of timber accounted largely for the advance over 1937 in the Dominion's sales to Cyprus.

Cyprus exports to Canada included embroidery and needlework, £189 (£55); all other articles, £387 (£22).

GENERAL CONDITIONS IN 1938

As reflected by the figures of commodity and invisible trade, last year was one of relative prosperity for Cyprus: conditions in agriculture generally were good; the mining industry—the staple industry of the island—continued to expand; and the tourist trade appears to have been better than in previous years.

FRESH BLUEBERRY MARKET CONDITIONS IN NEW YORK

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, August 4, 1939.—The demand for fresh blueberries in the New York wholesale market has been good this year, while supplies as a whole from the blueberry districts are smaller than those of last year. Prices being paid for fresh blueberries are higher than those of 1938 and will probably remain at a high level throughout the season.

SOURCES OF SUPPLY

Due to early frost and then dry weather throughout the growing season, the crops in Pennsylvania, New Jersey, and Delaware are smaller than those of 1938. Blueberries received from these areas have been in good condition, although the berries are not so large in size as those of last year's crop. The cultivated blueberries from New Jersey have been good but the dry weather has reduced the crops. Cultivated blueberries are also being received from the state of Michigan this year. Unfavourable growing conditions in Massachusetts have resulted in a short crop in that state and shipments of berries to the New York market have been small and are about ended. Supplies are now coming into the market from Maine, but are not expected to be very large as the crops are reported to be smaller than usual. During the past week blueberries from Nova Scotia and New Brunswick have been entering the market, while the first shipments from Quebec are expected this coming week.

PRICES

The wholesale prices of fresh blueberries are above those for 1938 and the trade feels that they will continue to hold their present levels during the remainder of the season. The opinion is also expressed that Canadian shipments will not depress the market and should receive good prices, provided they are in good condition, of course.

The range of wholesale prices per quart of fresh blueberries, delivered New York, up to August 4, has been as follows: Pennsylvania, 14 to 23 cents; New Jersey, 14 to 22 cents; Massachusetts, 25 to 30 cents; Maine, 25 to 30 cents; New Brunswick, 25 to 27 cents; Nova Scotia, 20 to 30 cents.

Cultivated blueberries from New Jersey have ranged in price from 25 to 40 cents per quart and from 18 to 25 cents per pint.

The average selling price during the past week for cultivated blueberries from Michigan has been from 16 to 21 cents per pint.

CANADIAN SUPPLIES

Market conditions for Canadian blueberries appear to be very good and it is likely that prices for these berries will gradually increase over those received for early shipments. As a result of the short crops in Massachusetts and Maine there will be little competition from these crops for Canadian blueberries. The first arrivals of blueberries from Nova Scotia have ranged in price from 20 to 30 cents per quart for the best quality, while medium-quality blueberries have been selling at a few cents below this range. The best-quality blueberries from New Brunswick have been bringing from 25 to 27 cents per quart.

IMPORT DUTY

Under the Canada-United States Trade Agreement, effective January 1, 1939, the United States customs duty on fresh blueberry imports from Canada is one cent per pound.

CROPS IN SWEDEN IN 1938

T. J. MONTY, ACTING CANADIAN TRADE COMMISSIONER

Oslo, July 31, 1939.—Official statistics for crops in Sweden in 1938 show that, despite increased crops of wheat, oats, barley, mixed grain, beans and straw as compared with 1937, the total value of agricultural crops diminished from 1,183,206,000 kronor in 1937 to 1,140,427,000 kronor in 1938 (one krona equals roughly 25 cents). Except in the case of rye, areas under cultivation were larger in 1938 than in 1937.

The following table shows the quantities in quintals of 220·2 pounds and the values in 1,000 kronor of crops in 1938 and 1937:—

	1938		1937	
	Quantity Quintals	Value 1,000 Kronor	Quantity Quintals	Value 1,000 Kronor
Summer and winter wheat	8,214,890	138,902	6,999,900	133,084
Summer and winter rye	4,047,070	65,066	4,127,700	73,057
Barley	2,665,090	39,928	2,066,060	35,263
Oats	13,807,710	170,255	12,652,960	184,519
Mixed grain	6,636,500	86,079	5,544,890	84,577
Peas	333,640	6,257	374,550	7,349
Beans	18,240	335	17,730	334
Potatoes	18,725,490	117,020	18,870,830	119,123
Sugar beet	18,338,560	55,933	20,768,650	62,514
Roots	25,681,410	46,621	26,585,490	45,298
Hay	58,823,290	326,766	60,524,420	351,934
Straw	41,982,240	86,968	36,055,280	84,658

NOTE.—10 quintals equal 1 metric ton of 2,202 pounds

BUSINESS CONDITIONS IN THAILAND (SIAM)* IN 1938

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(One tical equals \$0.45 Canadian at current rate of exchange; one ton equals 2,240 pounds)

Singapore, July 5, 1939.—The economic position of Thailand (Siam) during the year 1938 was relatively satisfactory. The general level of economic activity, as measured by trade returns, was materially better than during the previous year and, while still below that of 1929, was higher than for several years. Imports and exports increased and also the favourable balance of trade, while government finances continued on a sound basis, with ordinary expenditure met from income.

The greatest single feature in the improvement of conditions during the year was the larger rice crop. With more than 80 per cent of the country's 15 million people directly dependent on rice for their livelihood, an increase in exports by over 55 per cent spelled increased purchasing power well distributed throughout the population.

GOVERNMENT FINANCE

For the year commencing April 1, 1938, and terminating March 31, 1939 (Buddhist Era 2481), revenue amounted to 109,500,000 ticals, against which expenditure was 109,446,000 ticals. The budget estimate of revenue for the present year (B.E. 2482) is 109,426,000 ticals. Capital expenditures in substantial amounts are proposed during the year and will be met by borrowing.

The treasury balance on January 31, 1939, included 18,817,000 ticals held at home and 43,839,000 ticals in foreign countries. The note issue continues in a sound state. Notes in circulation on December 31 were valued at 147,-

* The Kingdom of Siam has officially changed its name to Thailand. Hereafter in reports appearing in the *Commercial Intelligence Journal* the country will be referred to by its new name with the former name in parentheses, until such time as the new name has become familiar.

Figures of exports to Canada are not available, but the statistics released by the Dominion Bureau of Statistics credit Siam as country of origin for goods to the value of Can.\$9,862 (Can.\$158,000 in 1937). Bangkok rice and semi-precious stones are the only named products.

RICE

The rice crop for the season ending November 30, 1938, was better than the average for the previous four years and substantially higher than for the year ending November 30, 1937. Exports amounted to 430,779 tons valued at 98,597,000 ticals, or an increase of 55 per cent in quantity and 38 per cent in value over shipments during the previous year.

Recovery of the rice industry was the principal factor in Siam's improved economic condition in the year under review. Present prospects for the 1938-39 season are substantially more favourable than were prospects at a similar period of last year, and the anticipated further increase in production makes business prospects for the season favourable.

TIN

Under the International Tin Convention, Thailand's (Siam's) exports were curtailed both in quantity and value. Whereas in 1937 exports amounted to 16,494 tons out of a permissible export quota of 20,136 tons, in the year under review exports amounted to 13,616 tons, or 960 tons in excess of the permissible total. The value of the shipments declined by 35.5 per cent to 27,203,000 ticals.

RUBBER

The basic quota allotted Thailand by the International Rubber Regulation Committee was 40,000 tons both in 1937 and 1938. Despite reductions in the permissible export quota from 100 to 50 per cent, Thailand (Siam), which previously had not shipped up to the total, was able to increase shipments by 15.7 per cent to 41,080 tons. The value of shipments declined by 19 per cent to 21,878,000 ticals.

TEAK

Thailand's (Siam's) teak industry continues to suffer from earlier exploitation and destructive cutting. Nor does the present policy of short-term concessions offer inducements for reforestation and an organization of forest reserves. Both by reason of conditions abroad and the lowered quality of the timber being cut, the value of exports was lower in 1938, being 7,397,000 ticals (8,835,000 ticals in 1937).

IMPORTS

The value of imports into Thailand (Siam) in 1938 was 118,499,000 ticals, which was an increase of 3.1 per cent over the previous year. Countries of origin for these imports are not available. Figures issued by the Dominion Bureau of Statistics, however, show that Canadian exports to Thailand (Siam), while still small, have continued to grow, being valued at Can.\$29,461 in 1938 as against Can.\$15,576 in 1937 and Can.\$7,294 in 1936. The principal items in the 1938 total were: milk products (Can.\$7,341), rubber manufactures (\$4,314), electrical apparatus (\$3,522), canned fruits and vegetables (\$1,480), wood products (\$1,352), soups (\$674), aluminium (\$519), and motor car parts (\$500). Smaller items included canned fish, ploughs and parts, rubber belting, ironware, cotton and rayon underwear, asbestos manufactures, proprietary medicines, and alimentary paste.

PRINCIPAL IMPORTS OF INTEREST TO CANADA

In considering the Thailand (Siam) market it must be realized that the Straits Settlements ports Singapore and Penang are major transshipment points, and that quantities of goods reach Thailand (Siam) from stocks held by Malayan merchant houses. Canadian exporters wishing to sell in this market should concentrate firstly on British Malaya, whence their goods, if saleable in Thailand (Siam), will reach that country. Having proved that their goods can be sold in Thailand (Siam), they should then take steps either to obtain local representation by some Bangkok firm or, in the event of the territory being served by an office of the Malayan importers, to extend the coverage of the existing Malayan agency to include Thailand (Siam).

The following list shows the quantities and values in ticals (within parentheses) for 1938, 1937, and 1936 of imports into Siam, selected as likely to be of interest to Canadian exporters:—

Biscuits.—1938, 65,521 kg. (107,919); 1937, 81,500 kg. (139,297); 1936, 50,061 kg. (81,369). The chief sources of supply are the United Kingdom, Singapore, Hongkong, and Japan. The decline in imports is largely due to curtailment of supplies from Japan.

Canned Sardines.—1938, 549,534 kg. (158,686); 1937, 1,710,635 kg. (398,653); 1936, 1,690,115 kg. (346,048). Despite the decline of imports by about 60 per cent, Japan remained almost the only country of supply.

Canned Salmon.—1938, 2,490 kg. (3,512); 1937, 3,764 kg. (4,521); 1936, 2,798 kg. (2,759). Quality salmon was supplied from the United States of America but the demand is principally for cheap stocks from Japan. The decline of 20 per cent represented reduction in imports from this latter source.

Canned Fish, Other Sorts.—1938, 65,471 kg. (30,582); 1937, 75,517 kg. (37,665); 1936, 85,964 kg. (41,595).

Wheat Flour.—1938, 13,015,733 kg. (1,267,522); 1937, 10,437,499 kg. (1,156,327); 1936, 14,521,638 kg. (1,293,864). Australia supplies almost 100 per cent of the imports.

Canned Milk, Condensed Sweetened.—1938, 8,483,336 kg. (1,490,424); 1937, 8,858,463 kg. (3,634,026); 1936, 8,152,810 kg. (2,205,579).

Canned Milk, Evaporated Unsweetened.—1938, 1,214,887 kg. (363,036); 1937, 1,448,572 kg. (429,584); 1936, 1,392,662 kg. (385,594).

Canned Milk, Sterilized Natural.—1938, 67,634 kg. (29,919); 1937, 65,680 kg. (33,057); 1936, 56,593 kg. (30,541).

Canned Milk, Powdered Whole.—1938, 70,585 kg. (138,119); 1937, 64,432 kg. (121,173); 1936, 52,235 kg. (100,275). Canada's largest export to Siam is in this item.

Canned Milk, Other.—1938, 88,548 kg. (162,471); 1937, 82,333 kg. (159,371); 1936, 66,014 kg. (132,877).

Motor Cars.—1938, 928 units (1,556,436); 1937, 952 units (1,481,439); 1936, 754 units (1,099,060). A large Canadian motor car manufacturer maintains an assembly plant in Singapore, which enjoys a good measure of the business.

Motor Car Tires.—1938, 14,017 units (462,634); 1937, 13,799 units (421,897); 1936, 12,471 units (347,370).

Motor Car Tubes.—1938, 8,712 units (39,827); 1937, 9,725 units (45,147); 1936, (not available).

Electrical Goods and Apparatus.—1938, 1,747,328 kg. (2,414,072); 1937, 2,363,659 kg. (2,547,872); 1936 (not available).

Hosiery of Silk.—1938, 8,882 ticals; 1937, 5,923 ticals; 1936, 6,401 ticals. The increase of 50 per cent in consumption represents extended purchasing power as a result of the comparatively satisfactory conditions of the year.

Hosiery of Cotton.—1938, 241,002 ticals; 1937, 170,886 ticals; 1936, 203,035 ticals.

Hosiery of Wool.—1938, 17,237 ticals; 1937, 11,992 ticals; 1936 (not available).

Machinery Belting.—1938, 49,342 kg. (120,032); 1937, 60,462 kg. (367,635); 1936, 94,833 kg. (138,025).

Paper of All Kinds, Unprinted.—1938, 8,516,667 kg. (1,702,403); 1937, 9,005,133 kg. (1,549,040); 1936, 8,343,863 kg. (1,253,441).

WHEAT AND FLOUR TRADE CONDITIONS IN JAPAN

C. M. CROFT, COMMERCIAL SECRETARY

(One yen equals approximately 28 cents Canadian)

Wheat

Tokyo, July 6, 1939.—Under the Foreign Exchange Control Law it is necessary to obtain permission to remit funds abroad for the payment of goods where the amount involved exceeds 100 yen per month. This permission is restricted largely to goods which are regarded as essential and urgently required. As a result of this exchange control the imports of wheat have been reduced to a very low level and the market for domestic wheat has maintained a firm tone.

WHEAT PRICES

The general average of the indices of the Bank of Japan for the average monthly wholesale prices in Tokyo during the first quarter of 1939 as compared with the average for the first three months of 1938 shows an increase of 22·3 per cent for home-grown wheat and a drop of 36·3 per cent in imported wheat.

Quotations for domestic and for foreign wheats given recently by the *Diamond*, one of the most important financial and economic journals in Japan, showed that domestic wheat increased about 20 per cent over the first quarter of 1938. The quotations are summarized in the following table:—

	1939		1938	
	High	Low	High	Low
Domestic Improved No. 3—	Yen per 100 Kin or 132 Lbs.			
January	12.45	11.60	10.30	10.00
February	12.90	11.60	10.50	10.20
March	12.85	12.60	10.50	10.20
Canadian Northern No. 3—				
January	6.11	5.93	11.99	11.51
February	6.04	5.93	11.90	11.61
March	5.97	5.59	11.78	10.21

The above prices for Canadian wheat are c.i.f. Japan. In previous reports on wheat the *Diamond* quoted Australian and United States as well as Canadian but no such prices were given in the recent report.

IMPORTS OF WHEAT

Due to the rigid control of foreign exchange the imports of wheat during the first quarter of 1939 decreased 93·1 per cent in volume and 94·4 per cent in value as compared with the corresponding three months of 1938. Australia and Argentina are largely responsible for this drop as no imports from these countries were recorded during the period under review, although they supplied about a quarter of a million bushels valued at upwards of one million yen during the first three months of 1938.

It is of interest to observe that imports of wheat from China increased fifteen times in volume and sixteen times in value as compared with the 1938 quarter. According to recent press reports an organization known as the Foreign Wheat Import Association has been established by principal flour millers in Japan. The purpose of this association is said to be that of facilitating the importation of foreign wheat and of overcoming to some extent the severe foreign exchange control. Although the reported object of the association is to assist in the importation of "foreign" wheat, its main object under existing conditions appears to be to promote the purchase of wheat from countries within the "yen bloc" and not to encourage importation from Canada, Australia, or the United States. It has been reported that the Foreign Wheat Import Associa-

tion obtained in February permission to import wheat from China to the value of one million yen, which would mean about 7,000 metric tons. It was said, moreover, that the association was to receive a further permit to import Chinese wheat to the value of 500,000 yen, shipment to be made in May. No information has been divulged as to the price at which this business has been placed but it is understood that it was higher than the ruling quotations for Canadian or other foreign wheat. Nevertheless, it is altogether probable that the authorities in Japan would prefer to pay more in yen rather than authorize the purchase of foreign exchange.

Canada supplied 31 bushels of wheat valued at 99 yen during the three months ended March 31, 1939, whereas no imports were recorded for the first quarter of 1938.

Imports of wheat from "other" countries declined by 95.3 per cent in volume and by 96.9 per cent in value as against the three months ended March 31, 1938, the imports during the quarter under review having amounted to 18,658 bushels valued at 54,770 yen. No information is available as to the "other" countries from which the imports came. It is, however, considered that most, if not all, of this wheat came from Iraq, which supplied 143,318 bushels valued at 490,000 yen during the first three months of 1938. It is believed that there were no imports from Manchukuo during the quarter, as export restrictions apply to wheat and flour from that country.

The following table shows the imports of wheat by countries during the first quarter of 1939 and in the corresponding period of 1938:—

Imports of Wheat into Japan

	Jan.-Mar., 1939		Jan.-Mar., 1938	
	Bushels	Yen	Bushels	Yen
Total	42,931	151,255	622,305	2,724,235
China	24,242	96,386	1,632	5,562
Canada	31	99	.....	.....
Australia . . . . .	.....	.....	169,206	692,503
Argentina . . . . .	.....	.....	55,240	245,431
Other	18,658	54,770	296,227	1,780,739

INCREASE OF PRODUCTION

The Ministry of Agriculture and Forestry has recently passed an ordinance pertaining to a subsidy for increased production of wheat. It is proposed to grant a subsidy of 70 sen (about 20 cents) per koku (4.96 bushels) for wheat produced in excess of a basis quantity fixed by the Government. No official statement has been made of the basis quantity or of the method of operation of the scheme. The *Oriental Economist* reports, however, that the basis is 9,500,000 koku (about 471,000,000 bushels), and it is proposed to increase this to 11,000,000 koku during 1939. This quantity is not sufficient to meet the total demand in Japan and the objective is a production of 13,000,000 koku in the near future. Whether or not this substantial increase in production can be achieved is open to doubt as there is now a shortage of farm labour.

Wheat Flour

The market for wheat flour has not reacted in harmony with the rising prices of wheat. Without doubt this is due to the efforts being made by the Government to prevent an undue rise in commodity prices. The flour-millers must have felt it necessary or desirable to increase their prices but their quotations have risen only slightly; in fact, one mill has lowered the price as a measure of co-operation with the Government in its desire to lower prices. The large flour mills have named firm prices which have remained stationary throughout the three months.

PRICES

The general average wholesale prices of wheat flour for the first three months of 1939, as reported by the Bank of Japan, show an increase of only 2.2 per cent as compared with the first quarter of last year, although the price of domestic wheat rose more than 22 per cent. The *Oriental Economist*, a well-known publication in Japan, says that the quotation for the standard grade flour manufactured by the Nisshin Flour Mills, "Crane" brand, was fixed at 4.97 yen per 49 pounds for the first three months of 1939 as against an average of 5 yen for the first quarter of 1938. "Bamboo" brand, made by the Nippon Flour Mills, which is of the same grade as "Crane" brand, was priced at 5.25 yen per 49 pounds during the three months under review, a slight increase over the first quarter of 1938. Similar grades of flour produced by other millers are quoted at about 5.25 yen per 49 pounds.

PRODUCTION

No statistics of the production of wheat flour during the three months under review are available. The production during the first quarter of 1938 amounted to 9,808,197 sacks (of 49 pounds).

EXPORTS

Shipments of wheat flour to other countries during the period under review dropped 59.3 per cent in volume and 54.4 per cent in value as compared with the first quarter of 1938. Exports to China declined 88.8 per cent in volume and 89 per cent in value and shipments to Manchukuo decreased 97.8 per cent in both quantity and value. On the other hand, sales to Kwantung Leased Territory increased by 107.3 per cent in volume and by 137.4 per cent in value. Exports were limited to the three countries mentioned and the quantities were as follows: total, 294,776 barrels; Kwantung Leased Territory, 228,240; China, 65,949; Manchukuo, 587 barrels.

IMPORTS

Imports of wheat flour during the first quarter of 1939 amounted to 56 barrels valued at 977 yen as compared with 2,774 barrels to the value of 61,877 yen during the corresponding period of 1938, thus showing a reduction of about 98 per cent in both volume and value. Details of the countries of origin are not yet available.

JAPANESE GRAIN CROP ESTIMATE

A. K. DOULL, ACTING TRADE COMMISSIONER

Kobe, July 18, 1939.—According to an estimate of the Department of Agriculture and Forestry on July 1, this year's wheat crop is expected to yield 53,548,599 bushels (estimated on May 20 at approximately 53,725,726 bushels), which will be a 20.3 per cent increase over last year's crop and 14.7 per cent greater than the average wheat crop during the last five years.

This year's rye crop is estimated at 30,119,840 bushels, which will be an increase of 18.7 per cent over last year's crop and an increase of 2.2 per cent over the average production for the last five years. The barley crop is estimated at 35,529,401 bushels, an increase of 13.2 per cent when compared with last year's yield and an increase of 6.4 per cent over the average crop of the last five years.

There were 1,822,625 acres of wheat under cultivation this year, 870,668 acres of barley, and 1,008,411 acres of rye, showing an increase of 2.8 per cent

for wheat and decreases of 8 and 7 per cent for rye and barley respectively as compared with 1938 acreages.

Although large crops in the above three cereals are anticipated, it should be noted that the crop of Japan's chief cereal, rice, showed a decrease during the 1938 to 1939 rice year, which lasts from June to June. Rice in storage on July 1 amounted to only 128,612,784 bushels as compared with 137,422,447 bushels on July 1, 1938, a decrease of 8,809,658 bushels.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to July 29, 1939:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada in 1939 Total Amount	Per Cent to July 29
Cattle (700 pounds or more) .. Head	225,000	3 to 1½ cts. per lb.	110,741	49.2
Cattle (less than 200 pounds) .. Head	100,000	2½ to 1½ cts. per lb.	60,744	60.7
Whole milk Gals.	3,000,000	6½ to 3½ cts. per gal.	3,593	0.119
Cream Gals.	1,500,000	56¼ to 28¾ cts. per gal.	332	...
Filleted fish, fresh or frozen—cod, haddock, hake, pollock, cusk and rosefish Lbs.	15,000,000	2½ to 1¼ cts. per lb.	5,669,861	37.8
Seed potatoes Bus.	1,500,000 beginning Sept. 15, 1938	75 to 60 cts. per 100 lbs. Dec. 1 to end of February; 37½ cts. Mar. 1 to Nov. 30	995,979	66.4
White or Irish potatoes, other than seed potatoes Bus.	1,000,000 beginning Sept. 15, 1938	75 to 60 cts. per 100 lbs. Dec. 1 to end of February; 37½ cts. Mar. 1 to Nov. 30	18,274	1.8

Total imports of cattle weighing 700 pounds or more, other than dairy cattle, during the period January 1 to July 29, 1939, amounted to 155,969 head. Of this amount 45,228 head or 20.1 per cent came from countries other than Canada. The 155,969 head imported included 151,064 head dutiable at the reduced rate under the trade agreement and 4,905 head at the full tariff rate. During the period July 1 to July 29, 1939, there were 24,726 head imported from Canada, which represented 47.81 per cent of the tariff rate quota for the third quarter of the calendar year. Imports for this period from countries other than Canada totalled 7,084 head, which represented 85.56 per cent of the quota allotment for the third quarter.

Total imports of cattle under 200 pounds amounted to 89,777 head or 89.7 per cent of the total quota. Of this total 29,033 head or 29.03 per cent came from countries other than Canada.

Receipts of white or Irish potatoes, other than certified seed potatoes, amounted to 21,156 bushels or 2.12 per cent. Of this total 2,882 bushels or 0.28 per cent came from countries other than Canada.

UNITED KINGDOM MERCHANDISE MARKS ACT

MARGARINE

Referring to the announcement appearing in *Commercial Intelligence Journal* No. 1843 (May 27, 1939), page 816, the Acting Chief Canadian Trade Commissioner in the United Kingdom writes that an Order in Council was made on July 3 prohibiting the importation into the United Kingdom of margarine unless it bears an indelible and conspicuous indication of origin as follows:—

(a) Margarine wrapped or packed ready for retail sale.

On importation and on sale or exposure for sale either wholesale or retail by means of printing or stamping on the outside of each retail packet in plain block letters not less than one-twelfth of an inch in height.

(b) Margarine in boxes, trays, or other containers (whether prepacked or in bulk not prepacked).

On importation and on sale or exposure for sale wholesale, by means of printing, stamping, branding, or stencilling, in plain block letters of not less than half an inch in height on the top (if any) and the bottom and sides of each container.

The indication of origin is in each case to be in close proximity to, and in letters the same colour as, the word "Margarine," which is required by law to be applied to this product.

The order becomes effective on November 1, 1939.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Southern Rhodesia

CHANGE IN INVOICE FORM

Southern Rhodesia Government Order No. 228, gazetted June 2, 1939, prescribes a new form of invoice containing an additional column headed "Number and Description of Packages" for shipment to Southern Rhodesia. The new form of invoice is shown in a mimeographed leaflet respecting the invoice regulations of Southern Rhodesia which has just been issued by the Department of Trade and Commerce. Interested Canadian exporters may obtain a copy on application to the Department at Ottawa.

Belgium

IMPORT LICENCES FOR VEGETABLES AND FRUIT

Mr. Maurice Bélanger, Acting Commercial Attaché at Brussels, reports under date August 1 that by virtue of a Royal decree dated July 28 and published in the *Moniteur Belge* of July 29, the importation into Belgium of all fresh and dried vegetables and all fresh fruit, including apples, peaches, and pears, will be subject to the granting of import licences. This measure became effective on August 1.

Cuba

TRADE-MARKS REGULATIONS

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, writes under date July 21, 1939, that the following instructions have been issued by the Secretary of Commerce, as promulgated in the *Official Gazette* of July 1, 1939, to holders of international trade-marks registered in Berne, Switzerland, which were admitted as valid in Cuba before April 22, 1932, pursuant to the Madrid Agreement of April 14, 1891:—

1. Trade-mark holders or their legal representatives must report, in accordance with the new trade-mark law (Decree Law 805 of April, 1936) and other

patent and trade-mark legislation now in force in Cuba, to the Department of Commerce any annulment, expiration, renouncement, transfer, and any other change affecting the validity of registration or the ownership in the country of origin of such international trade-marks registered in Berne.

Where any notification concerning any matter referred to in the foregoing is not presented in accordance with the formalities and requirements laid down by existing legislation it will be disregarded by the Department of Commerce.

2. When a third party requests in due form a declaration of expiration of legal protection in Cuba of an international trade-mark and the holder thereof has no legal representative in Cuba, all decisions and resolutions made in connection therewith will be communicated to such holder through the *Official Gazette*.

Panama

FINE OF 5 PER CENT FOR COMMERCIAL INVOICES LACKING SWORN DECLARATION

The Canadian Trade Commissioner in Panama advises that under Decree No. 74 of 1939, promulgated in the *Official Gazette* of Panama under date June 27, 1939, provision is made for a fine of 5 per cent ad valorem on the value of commercial invoices which do not bear a signed statement to the effect that all discounts, rebates, and commissions have been shown on the commercial invoice and that the information given is true and exact.

Article 52 of Decree No. 41 of 1935 required that a statement of this kind be made on the commercial invoice and, although it apparently is not required that this statement be in Spanish, the following wording is suggested: "Declaramos bajos la gravedad del juramento, con la firme puesta al pie de esta declaracion que todos y cada uno de los datos expresados en esta factura, son exactos y verdaderos y que la total declarada es la misma en que se han vendido las mercaderias." (We declare under oath by means of the signature below that each and every statement made in this invoice is true and correct, and that the total value shown is that for which the merchandise has been sold).

The new decree will come into force sixty days after its promulgation.

Peru

DUTIES ON PAPER PRODUCTS AMENDED

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, cables that under a Peruvian decree of July 13, 1939, published August 11, the tariff rates on the following items of the Peruvian tariff have been revised:—

Item No.	Former Duty Per Kilogram	New Duty (2.204 lbs.)
1030 Mechanical wood pulp for manufacturing paper	5 centavos	1 centavo
1070 Bags, of sulphite, kraft or similar papers	15 centavos	20 centavos
1088 Exercise books for scholars, containing up to 30 sheets, with paper covers, outwardly printed with scientific illustrations, maps or scientific engravings	4 centavos	13 centavos
1129 Paper, of common pulp, non-satiny, tar or kraft paper and similar papers, also special blue paper for packing candles	15 centavos	17 centavos
1130 Paper on reels	8 centavos	13 centavos
1133 Paper, yellowish white, for books, prints or other typographic work, satiny or not, also surface-coated or chrome paper for illustrated magazines	10 centavos	14 centavos
1156 Wood pulp, straw pulp or pulp of other material for the manufacture of paper or cardboard, also paper wool	3 centavos	1 centavo

The Peruvian sol (100 centavos) at current rate of exchange equals 18.75 cents Canadian.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Post and Telegraph Department, Wellington, New Zealand. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications.

Particulars are as follows:—

Post and Telegraph Department.—Twenty-four relays, power single-pole, each designed to operate from a 24-48 volt d.c. circuit, with a single make mercury contact capable of breaking 5 amperes non-inductive load at 250 volts a.c. (tenders close October 5, 1939); 100 batteries, in accordance with British Standard Specification No. 397, 1933, for Battery No. D.B.2 (tenders close October 5, 1939).

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Cuba

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, July 21, 1939.—Through a supplementary decree dated July 29, 1939, the Cuban Government has removed the ambiguity existing in the decree dated July 8, 1939. The latter might have been so interpreted as to permit the liquidation by importers of drafts drawn upon them in foreign currencies through offering in payment thereof Cuban silver pesos rated at their par value instead of at their depreciated value. Cuban silver pesos are now being quoted at about 7 per cent discount. Exporters may therefore continue to expect as heretofore full payment in the currency of sale or its equivalent of the amount of any draft drawn upon any Cuban importer. To all intents and purposes Cuba continues to remain a free exchange market without any government regulation or control of exchange in so far as foreign creditors of all kinds are concerned.

Ecuador

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, July 24, 1939.—For the past year Ecuador has controlled the supply of foreign exchange by means of an import control law promulgated in May, 1938. Under this law importers had to obtain import permits and present them to the banks before the exchange required could be granted. In January last there was put into effect a quota system based on the imports of each individual importer during the second half of 1935, the whole of 1936, and the first half of 1938. This system created a great deal of dissatisfaction among importers as it resulted in a reduction to about 60 per cent of all imports, including Government purchases, for which a quota of 14 per cent of the total was provided.

During the first quarter of the year holders of import permits experienced little or no difficulty in obtaining their foreign exchange requirements, although slight delays sometimes occurred. In April the Central Bank, owing to depleted foreign exchange reserves, suspended the sales of foreign exchange. This step brought about an immediate rise in rates of exchange. The rate was quoted at 14.60 sucres to the United States dollar on March 1 and rose to 14.80 sucres at the end of April, to 15.15 sucres at the end of May, and to 15.40 sucres early

in June. Later in June the Central Bank made provision for the granting of United States dollars at 15 sucres to the dollar to importers who had carried out all of the regulations required under the quota system. Despite this respite it was obvious that, with continuing unfavourable economic conditions in the republic, the steadily increasing Government deficit, and the strong opposition to the quota system, some new method to handle exchange requirements was imperative. Consequently, on June 26 a new law effective from July 1 was promulgated.

NEW IMPORT CONTROL LAW

The most important features of this law were the abolition of the quota system as applied to imports and the compulsory deposit in the Banco Central by importers of 30 per cent of the f.o.b. value of the goods desired to be imported, and a further payment of $\frac{1}{4}$ of 1 per cent of the f.o.b. value of the goods by way of commission for the handling of the transaction. In the case of machinery, articles of prime necessity, or other articles destined for industry the Banco Central may exempt the importer from the advance payment of 30 per cent of the f.o.b. value in whole or in part upon receiving favourable information from the Minister of Agriculture and Industry.

PROCEDURE FOR ECUADOREAN IMPORTERS AND FOREIGN EXPORTERS

Importers must present the request for importation in sextuplicate together with a signed copy of the order to the Import Control Commission set up by the Banco Central. In such documents must be set out the following information: the name and address of the importer and the exporter abroad; the quantity and weight in kilos of the goods ordered; the class of merchandise; its value f.o.b. port of embarkation; and the Ecuadorean tariff number.

If the importer fails to declare either the f.o.b. value or the weight of the goods correctly, allowing for reasonable slight error, he will be liable to a fine of from 10 to 20 per cent of the difference or excess of the value of the merchandise. Consequently, exporters to Ecuador must give complete and accurate details of their products to their customers in Ecuador in order that the latter may be in a position to make proper applications for a permission to import from the Import Control Commission and subsequently not be placed in a disadvantageous position following the arrival of the goods in the customs house.

Upon permission being granted to the importer he is required to forward two copies of this document to the shipper for legalization by the Ecuadorean consul, together with the other shipping documents. Without these two copies of the permission to import the consul may not visé the other documents. One copy of the permission is returned to the exporter for transmission with the other shipping documents to the Ecuadorean importer. The permission to import applies only to the goods set out in the application for importation and is non-transferable.

Tariff surcharges of 50 per cent against certain countries, including Canada, continue in effect. Permits for imports from these countries, particularly for goods not of prime necessity and irrespective of the system of import control in effect, have been reported to be more difficult to obtain during the past year than those for merchandise from countries not subject to tariff surcharge. It is yet too soon after its passage to report on the situation in this regard under the new Import Control Law.

It is reported that within one week of July 1, when the law became effective, applications for permission to import to the number of 450 and a value of about 3,000,000 sucres were made to the Import Control Commission.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUG. 14, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 14, 1939, and for the week ending Monday, August 7, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 7	Nominal Quotations in Montreal Week ending Aug. 14	Official Bank Rate
Belgium	Belga	.1001	\$.1698	\$.1698	2½
Bulgaria	Lev	.0072	.0121	.0121	6
Denmark	Krone	.2680	.2089	.2089	3½
Finland	Markka	.0252	.0206	.0205	4
France	Franc	.0392	.0264	.0264	2
Germany	Reichsmark	.2382	.4012	.4012	4
Great Britain	Pound	4.8666	4.6806	4.6807	2
Greece	Drachma	.0130	.0086	.0086	6
Holland	Guilder	.4020	.5331	.5371	2
Hungary	Pengo	.1749	.2950	.2950	4
		Unofficial	.1958	.1957	—
Italy	Lira	.0526	.0526	.0526	4½
Yugoslavia	Dinar	.0176	.0227	.0227	5
Norway	Krone	.2680	.2352	.2352	3½
Poland	Zloty	.1122	.1880	.1879	4½
Portugal	Escudo	.0442	.0425	.0425	4-4½
Roumania	Leu	.0060	.0071	.0070	3½
Spain	Peseta	.1930	.1102	.1099	4
Sweden	Krona	.2680	.2411	.2412	2½
Switzerland	Franc	.1930	.2257	.2257	1½
United States	Dollar	1.0000	1.0000	1.0000	1
Mexico	Peso	.4985	.1684	.1663	3
Cuba	Peso	1.0000	.9995	—	—
Guadeloupe	Franc	.0392	.0265	.0265	—
Jamaica	Pound	4.8666	4.6906	4.6907	—
Martinique	Franc	.0392	.0265	.0265	—
Other British West Indies	Dollar	1.0138	.9751	.9751	—
Argentina	Peso	.4245	.3121	.3121	3½
		Official buying	.2753	.2753	—
		Unofficial	.2320	.2320	—
Brazil	Milreis (Paper)	.1196	.0606	.0606	—
		Unofficial	.0502	.0505	—
British Guiana	Dollar	1.0138	.9751	.9751	—
Chile	Peso	.1217	.0517	.0517	3-4½
		Unofficial	.0400	.0400	—
Colombia	Peso	.9733	.5716	.5715	4
Peru	Sol	.2800	.1875	.1850	6
Venezuela	Bolivar	.1930	.3100	.3100	—
Uruguay	Peso	1.0342	.6160	.6159	—
		Unofficial	.3587	.3604	—
South Africa	Pound	4.8666	4.6689	4.6690	3½
Egypt	Pound (100 Piastres)	4.9431	4.8000	4.8000	—
China (Shanghai)	Dollar	—	.0754	.0688	—
Hongkong	Dollar	—	.2864	.2851	—
India	Ruppee	.3650	.3493	.3497	3
Japan	Yen	.4985	.2727	.2728	3.29
Java	Guilder	.4020	.5333	.5371	—
Thailand (Siam)	Baht (Tical)	.4424	.4291	.4290	—
Straits Settlements	Dollar	.5678	.5481	.5484	—
Australia	Pound	4.8666	3.7445	3.7446	3
New Zealand	Pound	4.8666	3.7595	3.7596	4

The Dominion Bureau of Statistics has supplied the following note:—

Continued strength in the Netherlands florin featured foreign currencies at Montreal during the week ended August 14. Rates on the florin rose from 53·31 cents on August 7 to 53·71 cents on the 14th, largely due to the more stable internal political situation. Suspension of payments by the large banking firm Mendelsohn & Co., which resulted in withdrawals of Dutch funds from foreign markets, was also cited as a contributory source of strength. United States funds remained at par throughout the week, at which point they have been since July 28. Sterling spot rates, though under increased pressure, also closed practically unchanged at \$4·6807 due to active support from the Exchange Equalization Fund. Tenseness over the international political situation was, however, reflected in increased discounts on 90-day forwards, New York on London, widening from 1½ cent on August 7 to 2½ cents by the 11th. French franc spot rates were steady at 2·65 cents, as also were Belgian belgas at 16·98 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Fruit.....	323	Radnor, Pa., U.S.A.....	Agency.
Dried Fruit.....	324	Radnor, Pa., U.S.A.....	Agency.
Tinned Gallon Apples.....	325	Radnor, Pa., U.S.A.....	Agency.
Codfish.....	326	Havana, Cuba.....	Agency.
Miscellaneous—			
Corset Fabrics.....	327	London, England.....	Agency.
Cutlery.....	328	Port-au-Prince, Haiti.....	Agency.
Kitchen Utensils (Aluminium)..	329	Port-au-Prince, Haiti.....	Agency.
Hardware—Wire Nails, Shoe Tacks, Locks, etc.....	330	Port-au-Prince, Haiti.....	Agency.
Miners' Electric Lamps.....	331	Melbourne, Australia.....	Purchase and Agency.
Rubber Coated Canvas.....	332	Batavia, Java, N.E.I.....	Agency.
Trunk Board.....	333	Johannesburg, South Africa.....	Agency.
Garden Hose.....	334	New York City, New York	Purchase and Agency.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Bedford, Aug. 20 and Sept. 15; Duchess of Atholl, Aug. 25; Duchess of York, Sept. 1; Duchess of Richmond, Sept. 9—all Canadian Pacific; Andania, Aug. 25; Antonia, Sept. 8—both Cunard-White Star Line.

To London.—Beaverbrae, Aug. 25 and Sept. 29; Beaverdale, Sept. 1; Beaverhill, Sept. 8; Beaverford, Sept. 15; Beaverburn, Sept. 22—all Canadian Pacific; Ascania, Aug. 25; Ausonia, Sept. 1; Alaunia, Sept. 8; Aurania, Sept. 15—all Cunard-White Star Line; Svane fjell, Aug. 23; Ruten fjell, Sept. 6; Harpe fjell, Sept. 20—all Fjell Line; Prins Willem II, Aug. 30; Prins Willem Van Oranje, Sept. 20—both Oranje Line.

To Manchester.—Manchester Commerce, Aug. 24; Manchester City, Aug. 31; Manchester Regiment, Sept. 7; Manchester Port, Sept. 14; Manchester Citizen, Sept. 21; Manchester Progress, Sept. 28—all Manchester Line.

To Southampton.—Montrose, Canadian Pacific, Sept. 7 and 30.

To Avonmouth, Bristol, Cardiff and Swansea.—Dakotian, Sept. 6; Dorelian, Sept. 23—both Cunard-Donaldson and Dominion Lines; Boston City, Aug. 26; New York City, Sept. 14—both Bristol City and Dominion Lines.

To Glasgow.—Sulairia, Aug. 25; Letitia, Sept. 2; Delilian, Sept. 8; Athenia, Sept. 15—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Consuelo, Sept. 7; Bassano, Sept. 21—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnglen, Aug. 23; Cairnesk, Sept. 6; Cairnmona (also calls at Dundee), Sept. 13; Cairnross, Sept. 20; Cairnvalona, Sept. 27—all Cairn-Thomson Line.

To United Kingdom Ports.—Windsorwood, Sept. 8; Maplewood (calls at London), Sept. 10; Wearwood, Sept. 28—all Constantine Line.

To Belfast and Dublin.—Kenbane Head (does not call at Dublin), Aug. 20; Melmore Head (does not call at Belfast), Aug. 20; Fanad Head, Aug. 30—all Head Line (also call at Londonderry and Cork).

To Hamburg and Bremen.—Beaverdale, Sept. 1; Beaverburn, Sept. 22—both Canadian Pacific (do not call at Bremen); Bochum, Hamburg-American Line, Sept. 15; Koenigsburg, Aug. 25; Aachen, Sept. 29—both North German Lloyd Line.

To Havre.—Eastern Star (also calls at Dunkirk), Aug. 27; Lista, Sept. 10—both County Line.

To Antwerp.—Beaverbrae, Aug. 25; Beaverford, Sept. 15; Montrose, Sept. 30—all Canadian Pacific; Lista, County Line, Sept. 10; Svane fjell, Aug. 23; Ruten fjell, Sept. 6; Harpe fjell, Sept. 20—all Fjell Line; Prins Willem II, Aug. 30; Prins Willem Van Oranje, Sept. 20—both Oranje Line.

To Rotterdam.—Grey County, County Line, Sept. 3; Svane fjell, Aug. 23; Ruten fjell, Sept. 6; Harpe fjell, Sept. 20—all Fjell Line; Prins Willem II, Aug. 30; Prins Willem Van Oranje, Sept. 20—both Oranje Line.

To Norwegian Ports.—Ide fjord, Sept. 12; Topdals fjord, Oct. 15—both Norwegian-American Line.

To Scandinavian and Baltic Ports.—Ragnhildsholm, Swedish America Mexico Line, Sept. 12.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Olmo, Sept. 7; Capo Noli, Sept. 26—both Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—New Northland, Aug. 21 and Sept. 4; Gaspesia, Aug. 30 and Sept. 13—both Clarke SS. Co. (call at Cornerbrook only); Belle Isle, Newfoundland-Canada SS. Ltd., Aug. 25 and Sept. 8 (calls at St. John's and St. Pierre-Miquelon); Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd., Aug. 29.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, Sept. 2; Chomedy, Sept. 16; Colborne, Sept. 30—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Cathcart (calls at Kingston only), Aug. 25; Lady Rodney, Aug. 30; Cavalier (calls at Kingston only), Sept. 8; Lady Somers, Sept. 13—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Olympia, Aug. 26; Ary Lensen, Sept. 9; Maud, Sept. 23—all Ocean Dominion SS. Corp.

To Buenos Aires.—Tercero, International Freighting Corporation, Sept. 8 (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Kaikoura, Aug. 25; Kaipaki, Sept. 25—both Montreal Australia New Zealand Line Ltd. (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—City of Glasgow, Sept. 9 (also calls at Bluff); a steamer, Oct. 10—both Montreal Australia New Zealand Line Ltd.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Tawali, Aug. 24; Mapia, Sept. 23—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Calgary, Elder Dempster Lines Ltd., Aug. 27.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Eastbourne, Aug. 26; City of Manila, Sept. 14—both Canada India Service.

From Quebec

To Southampton.—Empress of Britain, Aug. 26 and Sept. 9; Empress of Australia, Sept. 2 and 16—both Canadian Pacific.

From Saint John

To Liverpool and Manchester.—Manchester Division, Manchester Line, Sept. 2.

To London, Aberdeen, Newcastle and Hull.—Marwarri (calls at London only), Cunard-White Star Line, Aug. 22; Kyno, Ellerman's Wilson Line, Aug. 25.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, Aug. 30; Lady Nelson, Sept. 13; Lady Hawkins, Sept. 27—all Canadian National.

To Kingston and Jamaican Outports.—San Benito, Aug. 24; San Gil, Sept. 7; Argual, Sept. 21—all United Fruit Co.

From Halifax

To Liverpool.—Nova Scotia, Sept. 6; Newfoundland, Sept. 21—both Furness Line.

To St. John's, Nfld.—Fort Townshend (also calls at St. Pierre), Aug. 21, Sept. 5; Fort Amherst (also calls at Cornerbrook), Aug. 28 and Sept. 11—both Furness-Red Cross Line; Magnhild, Newfoundland-Canada Steamships Ltd., Aug. 21, Sept. 4 and 18 (also calls at St. Pierre and Newfoundland outports); Portia, Newfoundland Ry. and SS. Co., Aug. 30 and Sept. 13; Nova Scotia, Sept. 6; Newfoundland, Sept. 21—both Furness Line.

To Kingston, Jamaica.—Cathcart, Aug. 28 and Sept. 25; Cavalier, Sept. 11—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Aug. 24; Lady Drake, Sept. 7; Lady Nelson, Sept. 21—all Canadian National; Olympia, Aug. 31; Ary Lensen, Sept. 14; Maud, Sept. 28—all Ocean Dominion SS. Corp. (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, Aug. 23; Cornwallis, Sept. 6; Chomedy, Sept. 20—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, Aug. 23 and Sept. 21; Lillemor, Sept. 7—both Pickford & Black Ltd. (also call at Jamaica outports as cargo offers).

To Far East Ports.—Silveryew, Silver Line, Sept. 5; Siamese Prince, Furness-Prince Line, Sept. 21.

From Vancouver

To Yokohama, Kobe and Osaka.—Hie Maru, Aug. 26; Heian Maru, Sept. 9; Hikawa Maru, Sept. 30—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Canada (calls at Honolulu), Sept. 2; Empress of Russia (calls at Nagasaki), Sept. 16; Empress of Japan (calls at Honolulu), Sept. 30; Empress of Asia (calls at Nagasaki), Oct. 14—all Canadian Pacific; Ixion, Sept. 12; Titan, Sept. 24—both Blue Funnel Line (call at Miike but not at Manila).

To Honolulu, Suva, Auckland and Sydney.—Aorangi, Aug. 30; Niagara, Sept. 27—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia and Singapore.—Djambi (calls at Colombo, Bombay and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Aug. 31; Silveray (calls at Saigon, Belawan Deli, Colombo and Bombay, will also call at Port Swettenham and Penang if sufficient cargo offers), Sept. 9; Tosari (calls at Colombo, Bombay and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Sept. 30—all Silver-Java Pacific Line.

To Papeete, Sydney and Melbourne.—Cape Horn (also calls at Adelaide), Sept. 15; Tolten (also calls at Auckland, Wellington and Newcastle), Sept. 27—both Canadian-Australasian Line Ltd.

To Brisbane, Sydney, Melbourne and Adelaide.—Goonawarra, Aug. 20; Kookaburra, Sept. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Lochkatrine, Sept. 2; Lochmonar (also calls at Glasgow), Sept. 16; Drecht dyk, Sept. 30—all North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Balboa, Aug. 22; Annie Johnson, Sept. 7; Axel Johnson (calls at Plymouth), Sept. 22; Nordstjernen (calls at Plymouth but not at Hull), Sept. 30—all Johnson Line.

To Antwerp, Hamburg and Bremen.—Portland, Aug. 20; Vancouver, Sept. 15—both Hamburg-American Line; Isar, North German Lloyd Line, Aug. 21.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Wyoming, Aug. 23; San Antonia, Sept. 19—both Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Fella, Sept. 9; Rialto, Oct. 7—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—Manoeran, Silver-Java Pacific Line, Sept. 6 (calls at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Sheafcrown (also calls at Beira), North Pacific Shipping Co. Ltd., early September.

To West African Ports.—A vessel, Jorgensen Shipping Company A/B, end of September or beginning of October (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., late August and September.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Leikanger, Aug. 26; Evanger, Sept. 28—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

To Buenaventura and Guayaquil.—A steamer, North Pacific Shipping Co. Ltd., September (also calls at Mexican and Central American west coast ports).

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

LIST OF PUBLICATIONS OF THE IMPERIAL ECONOMIC COMMITTEE

Report No.

I. REPORTS TO GOVERNMENTS

1. General (1925)	9d.	(10d.)
3. Fruit (1926)	4s. 6d.	(4s. 10d.)
4. Dairy Produce (1926)	1s. 0d.	(1s. 2d.)
5. Fish (1927)	6d.	(8d.)
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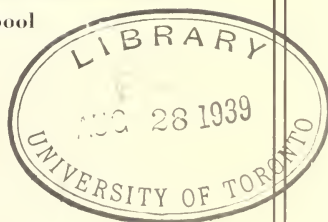
Vol. LXI

Ottawa, August 26, 1939

No. 1856



Canadian Butter on the Docks at Liverpool



ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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Vol. LXI

Ottawa, August 26, 1939

No. 1856

MR. COSGRAVE TO VISIT QUEENSLAND

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, will leave early in October to visit the state of Queensland in the interests of Canadian trade with that portion of his territory.

Canadian exporters or others interested in direct representation in the state of Queensland, or those desirous of having investigations or inquiries made on their behalf, should communicate with Mr. Cosgrave as early as possible, quoting prices c.i.f. Brisbane and f.o.b. Canadian Atlantic or Pacific ports, and supplying as much information as possible concerning their products. Mr. Cosgrave's address for letters is P.O. Box 3952V, Sydney, N.S.W., Australia.

MR. RIDDIFORD ALSO TO VISIT COLOMBIA

Mr. W. J. Riddiford, Canadian Trade Commissioner at Panama City, who is leaving on August 31 for a visit to Venezuela, will visit Cartagena and Barranquilla in Colombia on his way to Venezuela.

Canadian exporters interested in Colombian or Venezuelan markets and desirous of having investigations made on their behalf should communicate by airmail with Mr. Riddiford. His address for letters is P.O. Box 222, Panama City, R.P. He may also be reached in care of the Royal Bank of Canada at Cartagena and Barranquilla, Colombia, and at Caracas, Venezuela.

TRADE OF JAMAICA IN 1938

F. L. CASSERLY, OFFICE OF THE CANADIAN TRADE COMMISSIONER

I. Imports

Kingston, Jamaica, July 22, 1939.—In the calendar year 1938 the total c.i.f. value of imports into Jamaica was £6,485,221, of which parcels post accounted for £188,337. The former figure was exceeded only in 1920 and 1929, when the totals were, respectively, £10,313,282 and £7,027,013. General business recovery, better prices for bananas, the chief export item, and heavy purchases by local merchants in view of the disturbed European political situation, were mainly responsible for the larger import trade during the year under review. The 1937 total was £6,138,379.

INCREASES AND DECREASES

Imports of many of the large items, notably cement, coal, dried salted fish, flour, gasoline, lumber, condensed milk, rice, parcels post, and Jamaica Government purchases, were greater in 1938 than in 1937. Decreases occurred in apparel, boots and shoes, hardware, motor cars, silk and rayon piece-goods and manufactures, and soap, but Canada's position was, on the whole, well maintained in the trade in these latter commodities.

As compared with the 1937 imports, those in 1938 show an increase in value but a slight loss in percentage in the case of the United Kingdom; an appreciable increase in both respects for Canada and an even more pronounced advance for the United States; with declines under both for Germany and Japan. The value percentage of imports from British Empire countries fell from 67·4 in 1937 to 65·8 in 1938, Hongkong being responsible for the exact amount of this decline. The British Empire percentage was 73 in 1936, 71·6 in 1935, 69·1 in 1934, and 70 in 1933.

PRINCIPAL SUPPLYING COUNTRIES

Of total imports in 1938 the United Kingdom was again the largest supplier, her share amounting to £2,108,639 or 33·5 per cent¹ of the total; Canada's was £1,014,267 (16·1 per cent); that of other British Empire countries £1,007,419 (16 per cent); the United States £1,359,143 (21·6 per cent); Germany £183,633 (2·9 per cent); the Netherlands West Indies £157,474 (2·5 per cent); Holland £137,980 (2·2 per cent); Japan, £70,038 (1·1 per cent); and other foreign countries £258,291 (4·1 per cent).

Apart from the United Kingdom and Canada, the principal British Empire sources of supply in 1938 were: Trinidad, £252,983 (asphalt, gasoline, and kerosene); Newfoundland, £185,885 (codfish); Burma, £185,281 (rice); Australia, £119,559 (chiefly flour, grease, and wine); Hongkong, £88,910 (mostly apparel, cotton and silk manufactures, rubber-soled canvas shoes, and hats); India, £54,669 (gunny bags, small quantities of rice, rubber-soled canvas shoes); New Zealand, £53,970 (chiefly butter and small quantities of cheese, fresh meat, and powdered milk); Southern Rhodesia, £21,120 (entirely leaf tobacco); and the Bahamas, £10,252 (chiefly pitch pine lumber and small quantities of salt). In the year under review, as compared with 1937, the bulk of Jamaica's heavy purchases of rice is shown as having been transferred from India to Burma, due to the change in the latter country's political status; imports from Hongkong and the Bahamas declined by about one-half; while Southern Rhodesia almost doubled her share of the trade in leaf tobacco as regards quantity and more than doubled it in value.

Noteworthy among foreign sources of supply other than the United States were: Germany, £183,633 (beer, bicycles and parts, casks, cement, chinaware, glass and glassware, haberdashery and millinery, hardware, sewing machines, chemical manures, metal goods, motor cars and trucks, silk manufactures, toys, and miscellaneous articles); Netherlands West Indies, £157,474 (chiefly heavy fuel oil, gasoline, and lubricating oil); Holland, £137,980 (mostly ham, condensed milk, chemical manures, wrapping paper, and leaf tobacco); Japan, £70,038 (apparel, chinaware, unenumerated cotton manufactures, grease, glass and glassware, haberdashery and millinery, hardware, rayon piece-goods and hosiery, stationery, and wool manufactures); Belgium, £40,630 (chiefly glass and glassware, chinaware, hardware, metal and paper manufactures, railway rolling stock); France, £33,214 (mostly perfumery, silk manufactures, wines and spirits); China, £22,060 (apparel, fruits and nuts, linen and silk manufactures); Argentina, £19,895 (principally pickled beef, fresh and canned meat, bacon, ham, and pickled pork); and Italy, £19,713 (chiefly rayon piece-goods). As in 1937 and 1936, Germany was again in 1938 the second largest foreign supplier of goods to Jamaica; prior to 1936 Japan had held that position for a few years. Germany's barter system of trade is largely responsible for the progress of her export business with this colony.

IMPORTS FROM CANADA

Canada's percentage of Jamaica's total imports was 16·3 in 1935, 16 in 1934, 16 in 1933, 15 in 1932, 17·5 in 1931, 16·4 in 1930, 18 in 1929, 19·4 in 1928.

¹ As in former years, imports by parcels post are not included in these figures or taken into account in the percentage calculations, such imports not being recorded in the Jamaican customs returns, but the omission makes little, if any, difference in the percentages.

and 18·8 in 1927, when the Canada–West Indies Trade Agreement was implemented by Jamaica. In recent years Canada has lost much ground in Jamaica's custom in imported foodstuffs, but has gained appreciably in manufactured goods and also, to a lesser extent, in raw materials. But for these gains the decline in the Canadian percentage of the total trade would have been notably greater. In value, the 1938 imports from Canada are the fourth highest on record, having been surpassed only in 1927, 1928, and 1929, when they were, respectively, £1,074,865, £1,179,621, and £1,217,720. Particulars of the chief commodities purchased by Jamaica from Canada during 1938 are given in a succeeding section of this report. The aggregate value of the commodities listed therein, exclusive of parcels post imports, is £1,006,612, equivalent to 99·25 per cent of the island's total imports from Canada during the year under review.

IMPORTS FROM THE UNITED STATES

The notable increase in imports from the United States in 1938 as compared with 1937 was due to larger purchases from that country last year of confectionery, corn, farinaceous preparations, flour, canned fish and meat, ham, pickled pork, unspecified foodstuffs, and a fairly wide range of manufactured articles, notably apparel, cotton piece-goods, disinfectants and insecticides, glassware, haberdashery and millinery, agricultural and artisans' implements and tools, agricultural and railway machinery, chemical manures, patent medicines, paper manufactures, stationery, and several kinds of wooden containers. In cotton piece-goods alone, a large import item, her share of the trade was more than two and a half times that of 1937.

TREND OF IMPORT TRADE

The trend of Jamaica's import trade in the past three calendar years is shown below:—

	1936		1937		1938	
	£	Per Cent	£	Per Cent	£	Per Cent
United Kingdom.	1,876,971	38.1	2,009,402	33.7	2,108,639	33.5
United States.	833,875	17.0	1,083,417	18.1	1,359,143	21.6
Canada.	804,394	16.3	891,035	14.9	1,014,267	16.1
Other countries.	1,408,691	28.6	1,970,252	33.3	1,814,835	28.8
Parcels post.	149,884	....	184,273	....	188,337	....
Total.	5,073,815	100.0	6,138,379	100.0	6,485,221	100.0

IMPORTS BY CATEGORIES

Divided into the British Board of Trade's categories, Jamaica's imports in 1938 are as follows:—

Food, drink and tobacco.	£1,758,793
Raw materials and articles mainly unmanufactured.	331,933
Articles wholly or mainly manufactured.	4,140,554
Animals and birds, not for food.	3,250
Bullion, specie and parcels post.	250,691
Total.	£6,485,221

Of the £250,691 representing bullion, specie, and parcels post, the last-named accounted for £188,337.

FOODSTUFFS

As in preceding years, Canada was the largest single supplier of goods classed as food, drink, and tobacco, with £507,990 to her credit; the United Kingdom was next with £260,000, followed by the United States with £214,632, Newfoundland with £185,831, Burma with £185,277, Australia with £115,699, Holland with £100,325, New Zealand with £53,688, Southern Rhodesia with £21,120, Argentina with £18,633, and Chile with £14,768. In 1937 the corresponding figures were: Canada, £464,137; United Kingdom, £318,857; United States,

£135,710; Newfoundland, £158,880; India, £157,238¹; Australia, £114,629; Holland, £64,430; New Zealand, £46,879; Southern Rhodesia, £9,235; Argentina, £27,528; and Chile, £8,828.

The most outstanding increases in 1938 as compared with 1937 are shown in the case of the United States and Holland. In the former instance, as noted above, larger imports of confectionery, corn, farinaceous preparations, flour, canned fish and meat, ham, pickled pork, and unspecified provisions were mainly responsible; imports of flour alone from that source rose from 7,600 bags valued at £9,618 in 1937 to 31,286 bags (£39,458) in 1938. Holland's increase was due to much heavier shipments of condensed milk. In the year under review Newfoundland had about 90 per cent of Jamaica's custom in dried salted codfish, one of the largest items of the import trade; this is the highest percentage reached so far by that country.

Leaf tobacco, the only article imported from Southern Rhodesia, accounted for the considerable increase in that country's favour. Imports from Chile of whole peas and beans, mainly of the red kidney type, a popular article of diet in Jamaica, exceeded the 1937 quantity by about 200 per cent.

In recent years Canada has lost much ground to Great Britain and Australia in flour, to Newfoundland in fish, to New Zealand in butter, and to Holland in condensed milk. Her percentage of the trade in goods classified as "food, drink, and tobacco" was 29 in 1938, 28·9 in 1937, and 31·5 in 1936, as compared with 38·2 in 1930, 42·9 in 1929, 41·2 in 1928, and 37·7 in 1927.

RAW MATERIALS

Of imports of raw materials and articles mainly unmanufactured, totaling £331,933 as compared with £301,826 in 1937, the United States supplied £192,283, chiefly coal and pitch pine lumber; the United Kingdom, £88,258, almost entirely coal, temper lime, and plants and seeds for cultivation (including some seed potatoes); and Canada, £35,631 (£10,436 in 1937), comprising mainly rough and dressed Douglas fir and white pine, red cedar shingles, seed potatoes, and small quantities of hay. Larger imports of Canadian Douglas fir lumber in 1938 were mainly responsible for the improvement in Canada's position in this category, and were due not alone to the change in assessment of Jamaican ad valorem import duties from f.o.b. country of origin to c.i.f. Kingston, Jamaica, effective as from April 1, 1937, but also to special and intensive trade promotion work done in the colony on behalf of the British Columbia timber industry. Additional steamship service between Vancouver and Jamaica has since been provided, and although under the Canada-United States Trade Agreement the Jamaican tariff preference on Canadian lumber is fixed at 8s. per 1,000 feet, which is rather less than it actually was between April, 1937, and January of the present year, the prospects for the sale of Canadian Douglas fir in Jamaica have been definitely improved.

MANUFACTURED GOODS

In "articles wholly or mainly manufactured" Canada has made steady and gratifying progress since 1934, when Jamaica granted additional tariff preferences on wearing apparel and boots and shoes of British Empire origin. Great Britain, Hongkong, and India have likewise benefited thereby. Canada now has the bulk of Jamaica's import trade in women's and children's leather shoes, is the largest single supplier of rayon hosiery, and has a substantial share of the colony's custom in apparel. These gains can be placed against the loss of her business in rubber-soled canvas shoes (once almost a Canadian monopoly) first to Japan and afterwards to Hongkong and India. Canada's competitive

¹ Most of these imports, chiefly rice, came from Burma, to which country they were credited in 1938.

position has likewise been bettered to some extent by the change in the basis of assessing ad valorem duty on goods imported into Jamaica, as mentioned in the preceding paragraph; on the whole, however, the United Kingdom appears to have been the chief beneficiary in this respect.

The following comparison showing imports into Jamaica of manufactured goods (except food, drink, and tobacco) for each year since 1927, when the present Canada–West Indies Trade Agreement was implemented by this colony, is of interest:—

Imports of Manufactured Goods into Jamaica

	Total	From Canada		Total	From Canada
1927	£3,062,574	£306,310	1933	£2,517,161	£172,416
1928	3,261,147	319,433	1934	2,932,270	239,725
1929	3,256,027	314,297	1935	3,101,450	300,961
1930	3,166,818	236,982	1936	3,114,746	322,076
1931	2,398,623	193,981	1937	4,038,579	416,462
1932	2,412,622	172,538	1938	4,140,554	470,362

The Canadian figure for 1938 is the highest yet reached and represents 46·3 per cent of Jamaica's total imports from the Dominion in that year, as compared with 47 per cent in 1937 and 40 per cent in 1936. Having regard to the variation in commodity values during the period covered by the above table, it is clear that, especially since 1936, there has been a notable quantitative increase in Jamaica's total imports of manufactured goods and in Canada's share thereof. The Dominion's share exceeded during 1936, 1937, and, strikingly, during 1938, values in 1927, 1928, and 1929, when trade was booming and commodity values were appreciably higher than they have been in the past three years.

OTHER CATEGORIES

In Class IV, "animals and birds, not for food," of imports totalling £3,250 Canada is credited with £284; in Class V, "bullion, specie, and parcels post," her share was £19,510, comprising entirely the last-named item.

TRADE COMMISSIONERS ON TOUR

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, Norway (whose territory includes Sweden, Denmark, and Finland), and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories. Their itineraries are as follows:—

Mr. Grew

London	Aug. 28	Quebec	Sept. 11
Ingersoll, Woodstock and Brantford	Aug. 29	Ottawa	Sept. 13 and 14
Halifax	Sept. 4 and 5	Vancouver, New West- minster and Victoria ..	Sept. 19 to 30
Kentville	Sept. 6	Vernon	Oct. 2
Saint John	Sept. 7	Kelowna	Oct. 3
Fredericton	Sept. 8	Winnipeg	Oct. 6 to 9

Mr. Strong

Halifax	Aug. 30	Quebec	Sept. 5
Charlottetown	Sept. 1	Ottawa	Sept. 6

Firms wishing to be brought in touch with the Trade Commissioners should communicate: for Vancouver, Victoria and Winnipeg with the office of the Canadian Manufacturers Association; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

**CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JULY, 1938 AND 1939, AND SEVEN MONTHS
ENDED JULY, 1938 AND 1939)**

NOTE.—The descriptions of commodities used in the following table are taken from Canadian statistical classification of exports and in many instances are not identical with the terms of the concessions secured in the trade agreement, which are based on United States tariff classification. In cases where the two classifications vary materially, the tariff rates quoted apply to the commodities for which statistics are given only and to the extent indicated. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities			Value			United States Tariff	
	Month of July		Seven months ended July	Month of July		Seven months ended July	Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1938	1939	1938	1938	1939	1938		
				\$	\$	\$		
AGRICULTURAL AND VEGETABLE PRODUCTS								
Fruits and vegetables—								
Blueberries, frozen.....	47,355		377,528		3,117	22,369		17½% ad val.
Blueberries, fresh, n.o.p.....	21,656		121,656		1,219	1,500		1c. per lb.
Certified seed potatoes.....	780		186,405	1,500	108	98,708		37½c. per 100 lbs., March 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.
Potatoes, n.o.p.....	4,070	918	122,275	2,163	769	55,447		75c. per 100 lbs. on imports in excess of 1,500,000 bu. per 12-month period beginning Sept. 15.
								37½c. per 100 lbs., Mar. 1 to Nov. 30;
								60c. per 100 lbs., Dec. 1 to last day of Feb.
								75c. per 100 lbs. on imports in excess of 1,000,000 bu., plus quantity domestic crop falls below 350,000,000 bu., per 12-month period, beginning Sept. 15.
Turnips.....	200	525	1,020,115	80	213	374,342	326,937	25c. per 100 lbs.
Grains and farinaceous products—								
Barley.....	9	210,632	115,319		74,534	64,747	279,491	20c. per bu.
Oats.....	25	548,088	6,233	10	160,903	2,988	565,300	16c. per bu.
Rye.....		747,521	19,999	15	284,204	10,799	357,672	15c. per bu.
Bran, shorts and middlings.....	28,607	501,772	31,602	21,724	438,811	28,134	2,065,700	10½% ad val.
Cereal foods, prepared.....	66,102	180,182	608,583	75,809	5,169	45,180	41,005	20% ad val.
Malt.....					160,588	661,272	894,834	40c. per 100 lbs., if barley malt; malt.
								35c. per 100 lbs. if rye malt.
Screenings (grain).....	61,920	86,283	332,000	7,912	18,888	84,863	113,503	10% ad val.
Maple syrup.....	105	33,358	1,504	107	47,560	2,480	205,537	2c. per lb.
Maple sugar.....	1,574,666	87,317	4,792,179	241,568	17,185	792,954	839,581	3c. per lb.
Whiskey.....	232,057	56,627	1,415,698	905,547	308,148	5,629,928	2,980,866	\$2.50 per pt. gal. if aged in wooden containers for at least four years.

Seeds—									
Clover seed, alfalfa.....	Bu.	8	47	17,864	22,711	118	441	292,183	254,080
Clover seed, alaska.....	Bu.	125	135	22,047	57	1,200	1,573	8c. per lb.	4c. per lb.
Clover seed, red.....	Bu.	646	1,375	10,557	60,954	2,835	333	8c. per lb.	4c. per lb.
Clover seed, sweet (a).....	Bu.	129	1,375	10,557	60,954	2,835	333	8c. per lb.	4c. per lb.
Grass seed.....	Bu.	646	1,375	10,557	60,954	2,835	333	8c. per lb.	4c. per lb.
Beet pulp (a).....	Cwt.	3	3	4,926	205	56,958	5	263	8c. per lb. if bromo grass.
Hulls of grain (a).....	Cwt.	17,100	17,100	3,365	71,479	37,662	6,000	26,205	10c. per ton (2,240 lbs.).
Mixed feeds (a).....	Ton	883	883	12,241	24,537	811	5,558	43,341	10% ad val.
Hay.....	Ton	129	178	1,613	3,772	184	694	161,006	85 per ton (2,000 lbs.).
Straw.....	Ton	44	44	1,613	3,772	184	694	14,032	83 per ton (2,240 lbs.) if flax straw;
ANIMALS AND ANIMAL PRODUCTS									
Animals, living—									
Cattle for improvement of stock.....	No.	710	904	4,926	4,903	56,958	80,966	442,453	Free.
Cattle, dairy, weighing over 700 lbs.....	No.	621	903	3,365	4,903	37,662	58,058	217,139	11c. per lb.
Cattle, n.o.p., weighing less than 200 lbs.....	No.	5,434	15,984	34,407	62,934	90,734	244,164	506,077	21c. per lb. on imports in excess of 100,000 head during any calendar year.
Cattle, n.o.p., weighing over 700 lbs.....	No.	4,564	24,638	27,048	112,401	306,821	1,663,655	1,595,727	11c. per lb. on imports in excess of 100,000 head during any calendar year.
Horses, n.o.p.....									
Poultry, n.o.p.....	No.	20,614	19,978	216,188	66,752	10,224	9,387	145,775	516,641
Swine, n.o.p.....	No.	73	73	169	22	574	1,181	1,181	38,070
Fish, fresh and frozen—	No.	285	336	4,294	4,216	39,558	42,794	550,781	80 per head if valued at not more than \$150; 20% ad val. if valued at more than \$150.
Clams and oysters, fresh.....	Cwt.	1,591	1,466	25,670	21,250	3,411	3,216	28,434	8c. per lb.
Scallops, fresh and frozen (a).....	Cwt.	55	55	1,829	1,829	24,704	1,238	28,434	8c. per lb.
Cod, haddock, pollock, hake and cusk, fresh and frozen.....	Cwt.	4,696	9,649	36,301	73,521	24,704	55,555	232,013	Free.
Eels, fresh and frozen.....	Cwt.	239	118	942	541	1,710	867	6,017	3c. per lb. without fins removed (not filleted); 1c. per lb. with fins removed (not filleted); 11c. per lb. subject to quota (also applies to rose fish), (filleted).
Haitbut, fresh and frozen.....	Cwt.	5,572	4,795	37,539	33,253	46,268	41,464	371,139	3c. per lb.
Herring, sea, fresh and frozen.....	Cwt.	15,939	51,354	26,886	105,262	10,077	54,724	28,522	341,099
Lobsters, fresh.....	Cwt.	12,661	15,577	84,327	81,897	188,359	273,861	1,498,307	2c. per lb.
Mackerel, fresh and frozen.....	Cwt.	2	687	9,751	4,175	13	3,106	54,668	Free.
Salmon, fresh and frozen.....	Cwt.	10,087	10,114	27,913	27,906	137,640	133,398	326,423	1c. per lb. if fresh; 11c. per lb. if frozen.
Smelts, fresh and frozen.....	Cwt.	5	5	41,766	50,341	401,397	461,134	Free.	1c. per lb.
Sturgeon, fresh and frozen.....	Cwt.	254	771	874	1,831	7,061	27,468	25,300	66,528

(a) From January 1, 1939.

(b) Quota for period April 1-Dec. 31, 1939 (165,000 head), allocated 80.2 per cent to Canada and 13.8 per cent to other countries, equivalent to 142,230 head to Canada and 22,770 head to other countries. Maximum quarterly quota (60,000 head) allocated on same basis: Canada 51,720 head, other countries 8,280 head.

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Commodities	Quantities				Value				United States Tariff		
	Month of July		Seven months ended July		Month of July		Seven months ended July		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)	
	1938	1939	1938	1939	1938	1939	1938	1939			
ANIMALS AND ANIMAL PRODUCTS—Con.											
Fish, fresh and frozen— <i>Con.</i>											
Swordfish, fresh and frozen.....Cwt.	726	756	772	917	14,817	18,796	15,923	22,053	2c. per lb.	1c. per lb., if not frozen.	
Fresh-water fish, other, fresh and frozen.....Cwt.	34,115	36,241	324,480	332,229	359,500	351,756	2,810,910	2,636,466	1c. per lb. (not filleted); 2½c. per lb. (filleted).	1c. per lb. (not filleted); 2½c. per lb. (filleted).	
Fish, salted, dried, smoked, or pickled—											
Cod, haddock, pollock, hake and cusk, dried.....Cwt.	2,567	1,698	25,894	32,655	15,679	10,941	170,333	215,173	1½c. per lb., if containing not more than 43% moisture.	1c. per lb., if containing not more than 43% moisture.	
Cod, pollock, hake, and cusk, green-salted.....Cwt.	11,168	8,890	29,440	42,978	31,225	22,253	84,215	122,589	1c. per lb., if containing more than 43% moisture.	1c. per lb., if containing more than 43% moisture.	
Cod and haddock, smoked.....Cwt.	344	536	15,093	16,947	3,634	5,346	154,642	161,596	2c. per lb., if skinned or boned.	1½c. per lb., if skinned or boned.	
Herring, sea, pickled.....Cwt.	15	7	2,500	3,505	37	18	7,782	10,241	1c. per lb. (not filleted); 3c. per lb. (filleted).	1c. per lb. (not filleted); 3c. per lb. (filleted).	
Herring, sea, smoked.....Cwt.	482	57	5,568	4,397	1,493	590	23,842	26,513	1c. per lb., net weight.	1c. per lb., net weight.	
Mackerel, pickled.....Cwt.	338	289	7,204	8,122	1,396	914	49,215	41,537	1c. per lb., if boned; 1½c. per lb., if not boned.	1c. per lb., if boned; 1½c. per lb., if not boned.	
Salmon, pickled.....Cwt.	364	1,254	704	704	8,012	19,154	19,154	16,986	1c. per lb., net weight.	1c. per lb., net weight.	
Salmon, smoked.....Cwt.	2	13	10	20	97	121	266	301	25% ad val.	25% ad val.	
Fish, canned—											
Lobsters, canned.....Cwt.	478	1,328	2,586	5,008	24,334	61,838	135,378	222,980	Free.	Free.	
Fur skins, undressed—											
Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed.....No.	106,540	104,414	299,414	397,814	200,152	241,453	1,533,924	2,043,570	Free.	Free.	
Fox skins, black and silver, undressed.....No.	441	1,888	5,691	19,982	10,935	31,064	159,786	438,608	50% ad val.	37½% ad val.	
Hair and bristles.....Sq. ft.	.....	.....	.....	.....	22,496	21,470	157,246	157,246	Free.	Free.
Leather, patent.....Sq. ft.	.....	.....	.....	.....	1,855	23,011	7,267	245,365	15% ad val.	7½% ad val.
Meats—											
Bacon and hams, shoulders and sides.....Cwt.	372	452	4,525	3,389	15,557	14,966	192,441	119,116	3½c. per lb.	2c. per lb.	
Pork, fresh, chilled and frozen.....Cwt.	1,529	1,631	15,514	13,175	27,469	31,496	272,565	254,432	2½c. per lb.	1½c. per lb., if fresh or chilled.	
Pork, dry-salted.....Cwt.	.....	.....	70	.....	.....	.....	805	.....	3½c. per lb.	2c. per lb.
Pork, pickled, in barrels.....Cwt.	.....	.....	138	.....	5	.....	1,633	.....	3c. per lb., but not less than 20% ad val.	2c. per lb., but not less than 15% ad val.
Edible animal entrails, n.o.p. (a).....Cwt.	.....	.....	.....	2,915	.....	6,501	.....	66,202	4c. per lb., but not less than 35% ad val.	3c. per lb., but not less than 25% ad val. if cheddar cheese, not further processed than divided into portions.
Milk products—											
Cheese.....Cwt.	1,296	1,039	9,630	12,554	21,982	15,829	169,403	210,853	7c. per lb., but not less than 35% ad val.	4c. per lb., but not less than 25% ad val. if cheddar cheese, not further processed than divided into portions.	
Cream.....Gal.	.....	.....	5,096	4	.....	11,153	.....	250	6c. per gal.	28½% ad val.
										50% ad val. on imports in excess of 1,500,000 gals. during any calendar year.	

Milk, fresh.....Gal.		18½	264	1,352	1,816	69	99	472	681 0½c. per gal.	3½c. per gal.; 6½c. per gal. on imports in excess of 3,000,000 gals. during any cal- endar year.
Whale oil.....Gal.		85,200	238,914			27,801		78,715	5c. per gal. if sperm oil.	2½c. per gal. if sperm oil.
Wood, Wood Products and Paper										
Christmas trees.....No.		35,777	80,563	424,546	633,166	3,486	5,745	2,506	18,387 10% ad val.	5% ad val.
Fence posts.....No.		30,763	32,774	130,456	105,534	105,534	95,040	36,624	54,245 Free.	Free.
Telegraph and telephone poles.....No.		16,200	17,677	116,902	105,780	9,594	15,772	457,623	464,258 Free.	Free.
Railroad ties.....No.		4,656	5,927	29,326	29,326	24,612	31,821	83,736	75,747 Free.	Free.
Firewood.....Cord		16,346	13,182	77,226	86,906	47,965	37,246	138,903	159,472 Free.	Free.
Laths.....M		22,033	13,351	70,389	107,348	255,789	149,452	231,153	242,000 Free.	Free.
Logs.....M		2,682	2,987	17,184	18,916	21,086	22,332	813,741	1,231,486 Free.	Free.
Pickets.....M		116,000	318,520	132,147	132,147	5,933		124,528	145,730 Free.	Free.
Piling.....Lin. ft.								19,382	9,823 \$1 M ft. b.m. if fir, spruce, pine, hemlock, or larch.	50c. per M ft. b.m. if fir, spruce, pine, hemlock, or larch.
Planks and boards and square timber—										
Flooring of hardwood.....M ft.		1	4	80	93	56	302	4,134	Free if other kinds.....	Free if other kinds.
Planks and boards, hardwood, n.o.p.,									7% ad val. if maple, birch or beech.	4% ad val. if maple, birch or beech.
and square hardwood timber.....M ft.		2,097	3,88	12,970	23,090	83,051	155,796	532,181	Free, but subject to \$3	Free, but subject to \$3
Planks and boards and square timber,									M ft. b.m. revenue	M ft. b.m. revenue
softwood.....M ft.		33,938	36,970	210,095	294,901	808,177	1,072,895	5,267,275	7,309,134 \$1 M ft. b.m. and \$3	50c. M ft. b.m. and \$1.50
									M ft. b.m. revenue	M ft. b.m. revenue
									tax, if fir, spruce, pine, hemlock or larch.	tax, if fir, spruce, pine, hemlock or larch
Pulpwood.....Cord		173,141	158,972	672,146	463,056	1,562,561	1,376,618	5,276,773	Free, but subject to \$3	Free, but subject to \$3
Shingles.....Square		315,182	288,236	1,241,681	1,618,828	849,040	795,713	3,294,321	M ft. b.m. revenue	M ft. b.m. revenue
									tax if other woods.	tax if other woods.
									Free.....	Free.
									United States reserves	United States reserves
									right to impose duty	right to impose duty
									not to exceed 25c.	not to exceed 25c.
									square on red cedar	square on red cedar
									shingles in excess of	shingles in excess of
									30% United States	30% United States
									consumption.	consumption.
									Free if staves.	Free if staves.
Staves and headings.....Cwt.		612,440	849,007	4,452,836	5,925,330	734	2,040	6,970	Free if staves.	Free if staves.
Wood pulp.....Cwt.						1,428,333	1,904,801	10,791,181	13,543,240 Free.	Free.
Paper—										
Book paper and newsprint, side runs and		43,289	21,870	125,076	179,465	63,137	24,391	154,043	195,113 ½c. per lb. and 10% ad	1/5c. per lb. and 5% ad
side rolls.....Cwt.									val.	val.
Hanging paper, not printed (a).....Cwt.									10% ad val.	7½% ad val.
Newsprint paper.....Cwt.		2,905,897	3,081,078	20,347,309	23,047,984	6,509,445	6,801,413	44,185,695	50,479,542 Free.	Free.
Pulpboard for wallboard (a).....Cwt.			16,714		122,326		28,306		219,757 10% ad val. if pulpboard	5% ad val. if pulpboard
									in rolls, not processed;	in rolls, not processed;
									\$14.50 per ton (2,000 lbs.)	\$14.50 per ton (2,000 lbs.)
									but not less than 15%	but not less than 15%
									val. if pulpboard in	val. if pulpboard in
									or more than 30% ad	or more than 30% ad
									val. if pulpboard in	val. if pulpboard in
									rolls, processed.	rolls, processed.

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EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JULY, 1938 AND 1939, AND THE SEVEN MONTHS
ENDED JULY, 1938 AND 1939).—Concluded

Commodities	Quantities				Value				United States Tariff	
	Month of July		Seven months ended July		Month of July		Seven months ended July		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1938	1939	1938	1939	1938	1939	1938	1939		
IRON AND ITS PRODUCTS										
Castings of iron and steel, n.o.p.....	78		1,237	911	605	418	8,060	5,267	20% ad val. if of iron....	10% ad val. if of iron.
Farm implements and machines and parts (except "Garden and farm tools" and "Spades and shovels and parts").....										
Ferro-silicon.....	285		458	3,960	140,584 4,342	157,947 15,046	2,027,284 87,311	1,355,035 101,868	Free..... 2c. per lb. on silicon content.	Free.. 1c. per lb. on silicon content when containing 8% but less than 30% of silicon. 75c. per ton (2,240 lbs.).
Spiegeleisen (a) (see "Ferro-manganese and other ferro-alloys, n.o.p.").....		7,844		17,877		231,014				
Ferro-manganese and other ferro-alloys, n.o.p (included "Spiegeleisen" prior to January 1, 1939).....	232		5,108	158	7,450		187,073	7,038	1½c. per lb. on manganese content if ferro-manganese; 2½c. per lb. on chromium content when containing not less than 3% of 1½c. per lb. on chromium carbon if ferro-manganese; content when containing not less than 3% of carbon if ferro-chrome. (Reduced to 1½c. per lb., Swedish Agreement, Aug. 5, 1935).	1c. per lb. on manganese content when containing not less than 4% of carbon if ferro-manganese; content when containing not less than 3% of carbon if ferro-chrome.
Skates.....	50,613	45,885	91,391	195,707	24,572	29,753	50,930	145,241	20% ad val.....	15% ad val.
NON-FERROUS METALS AND PRODUCTS										
Aluminum in bars, blocks, ingots, sheets, etc.....	1,945	10,000	4,458	39,084	29,357	123,200	70,435	535,170	4c. per lb., if crude.....	3c. per lb., if crude.
Aluminum scrap.....	1,061	924	2,118	4,889	2,384	10,935	3,553	50,053	4c. per lb.....	3c. per lb.
Cadmium (a).....				22				10 15c.	per lb.....	7½c. per lb.
Cobalt, contained in ore.....	61		117	275	3,258		5,489	20,702	Free.....	Free.
Cobalt, metallic.....	9,790		29,941		15,033		44,157	Free.....	Free.	Free.
Nickel, contained in oxide.....	46	1,455	1,134	8,133	903	31,060	22,720	190,656	Free.....	Free.
Nickel, fine.....	28,541	49,656	203,076	451,976	714,990	1,246,041	5,079,083	11,304,332	3c. per lb.....	2½c. per lb.
Selenium and salts of (a).....		8,454		58,471		12,770		88,950	Free.....	Free.
Zinc, contained in ore.....									1½c. per lb. on zinc content.	1c. per lb.
Zinc spelter.....	2,717	6,000	14,919	67,170	7,952	19,550	57,806	218,743	1½c. per lb.....	1½c. per lb.
NON-METALLIC MINERALS AND PRODUCTS										
Abrasive, artificial, crude, including carborundum.....	56,154	79,227	650,274	635,549	136,343	203,337	1,840,680	1,566,878	Free.....	Free.
Asbestos, and asbestos sand and waste... Ton	15,098	16,558	86,465	105,506	454,019	503,756	2,654,124	3,438,722	Free.....	Free.

Basic refractory materials, dead-burned		152		3, 655 30% ad val.		20% ad val., if containing 15% or more of lime.	
(a).....Ton							
Coal tar and pitch; creosote oil; and coal							
tar oils, n.o.p.....Gal							
Feldspar (See "Nepheline syenite").....Ton							
Gypsum or plaster, crude.....Ton							
Lime, building.....Cwt.							
Lime, n.o.p. (a).....Cwt.							
Nepheline syenite (includes "Feldspar" for January, February and March, 1938) Ton							
Quartzite (a).....Ton							
Sand and gravel.....Ton							
Talc.....Cwt.							
CHEMICALS AND ALLIED PRODUCTS							
Acetic acid.....Cwt.							
Acetylene black (a).....Lb.							
Cyanamid.....Cwt.							
Soda and sodium compounds.....Cwt.							
Vinyl acetate and synthetic resins made therefrom (a).....Lb.							
MISCELLANEOUS COMMODITIES							
Junk, except metallic and rubber.....Cwt.							
Organs and parts.....No.							

(a) From January 1, 1939.

QUEENSLAND AS A MARKET FOR CANADIAN PRODUCTS

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(For purposes of comparison £A equals approximately \$3.80 Canadian)

Sydney.—In view of the interest shown in trade possibilities for Canadian products in the northern Australian state of Queensland during recent years, it appears timely to present to Canadian manufacturers and shippers some details covering the potentialities of this important part of the Australian Commonwealth.

Queensland occupies an area of approximately 670,000 square miles and has some 3,236 miles of coastline. It stretches approximately 1,300 miles from north to south and 900 miles from east to west. Its total area embraces 22·5 per cent of the Australian continent, while its occupied area constitutes 30 per cent of the Australian total. Approximately 360,000 square miles of Queensland's total area lies within the tropics. Because of its physical, climatic, and living conditions, the tropical portion is relatively immune from those diseases and other disabilities commonly experienced in other tropical areas. Though rainfall is frequently deficient inland, artesian supplies of water are available over the greater part, including the sub-tropical hinterland, which constitutes an important part of Australia's sheep area.

Queensland may be divided into two well-defined topographical areas. The first consists of the coastal regions which extend from the New South Wales border to Cape York Peninsula—a distance of some 1,100 miles—constituting a comparatively narrow but highly productive strip to the east of the Great Dividing Range running from New South Wales in the south to Cape York Peninsula in the north, with numerous tributary ranges. The highest elevation is in the north, where the Bellenden-Ker Range rises to some 5,430 feet. West of this range lies a broad belt of pastoral country, over 1,000 feet above sea-level, rising in the north to the famous Atherton tableland which covers an area some 12,000 square miles in extent at a uniform height of 2,000 feet above sea-level. Here the equable climate has resulted in the development of an important maize area, from which the bulk of the Commonwealth's requirements is obtained. Farther west lie the great pastures, extending to the Queensland border of the Northern Territory, with an elevation of some 500 feet above sea-level.

For practically its entire length the coastal territory has the unique protection of the Great Barrier Reef, which extends for some 1,200 miles from the coast of Papua on the north to within 200 miles of the southern border of Queensland, at a distance varying from 30 to 100 miles from the Australian coast. The Great Barrier Reef affords splendid protection to the numerous ports and islands along this important coast, and has resulted in a marked transport efficiency of small cargo boats supplying the Queensland coast.

NATURAL RESOURCES

While the extent of the territory of Queensland in itself is no guide to its actual resources, the large area under effective occupation demonstrates its remarkable suitability for productive purposes. Minerals and timber have been important factors in Queensland's development. Numerous minerals are found along the dividing highlands and in the extreme northwest. Pine timbers are available in fair quantities throughout the southern highlands, although the authorities are realizing, as in other timber countries, that much of this timber must be conserved to ensure adequate water-sheds, and that cutting for commercial purposes must be rigidly controlled.

In the north, Queensland possesses some of the world's most important forests of tropical hardwoods. These will undoubtedly prove of considerable

financial benefit to the state in coming years. Land suitable for agriculture and dairying is not a large proportion of the whole, being limited by rainfall and seasonal distribution, but the aggregate area is large, with considerable variety of production. There are rich soils accompanied by adequate rainfall on the Darling Downs in the southwest portion of the state, on the Atherton tableland, and in many river valleys along the eastern coast; while the pasture country constitutes a most important district.

Along the Great Barrier Reef and its contiguous islands edible fish abound in large numbers, and will doubtless prove a productive asset to Queensland when modern commercial fishing practice is introduced.

POPULATION

The most recent figures available show that Queensland has a population of approximately 1,000,000, out of the Australian total of approximately 7,000,000. It ranks third of the Australian states with regard to population. Queensland is far more decentralized than any other state in the Commonwealth. Brisbane, the capital of Queensland, has a population of approximately 300,000, or some 31 per cent of Queensland's total population. Leading centres along the coast and in the main inland areas show a remarkably even distribution of population: Rockhampton with 30,000; Toowoomba, 28,000; Townsville, 30,000; Ipswich, 22,000; Bundaberg, 12,000; Maryborough, 11,000; Mackay, 11,000; Ayr, 14,000; Cairns, 14,000. The majority of shire centres vary between 5,000 and 7,000, and some fifty towns throughout the state have over 1,000 persons. This decentralization is further exemplified throughout the extensive coastal areas in protected deep-water ports and prosperous centres at intervals of from 100 to 150 miles along the coast from the New South Wales border northwards to the tropical boundaries. These ports provide admirable distributing facilities for the well-defined inland areas, which are admirably served by road and rail.

TRANSPORTATION

Despite its great area, Queensland is well served by its railway system in proportion to population. It has the largest mileage of any state in the Commonwealth, some 6,567 miles as compared with 6,124 in New South Wales, 4,721 in Victoria, and 4,357 in Western Australia. As in the other states, the main railway system is owned and operated by the State Government. There have been substantial losses in operation, but such losses are regarded as part of the cost of development. In recent years the lines in the more populous areas have been showing satisfactory profits after payment of interest charges, and these profits have assisted materially in meeting increased extensions and maintenance charges in the difficult tropical areas.

Shipping facilities on the Queensland coast are well organized. The main ports are served by inter-state shipping services operating fast, modern, combined passenger and cargo vessels. These services are not less than weekly and bi-weekly for most of the ports. As most of the coastal harbours are available to overseas cargo vessels of modern tonnage, little difficulty is experienced in effecting delivery, both direct and by transshipment at the port of Brisbane, along the 1,200 miles of Queensland's coastline.

There has been steady expansion of state highways and secondary roads. The mileage of state highways rose from 1,361 in 1931 to 3,142 in 1937 and of main roads from 6,498 to 9,148. During the same period the number of registered motor vehicles increased from 90,831 to 111,765. Air transport has also had a marked development, due to the great distances between centres. It has been stimulated by the extension of Imperial Airways services from Singapore to Australia. There are three main air services per week between Brisbane, Darwin,

and Singapore, daily service from Brisbane to Sydney, daily service between Brisbane and Cairns, and constantly growing subsidiary services linking the main centres throughout the state.

EXTERNAL TRADE

As Queensland is predominantly a primary producing state, its overseas exports are of particular interest as an indication of its purchasing power for a wide range of imported manufactures and supplies. While the southern Australian states are becoming increasingly important as a source of supply for a considerable percentage of Queensland's requirements, the steady development of the state and the excellent distributive facilities, both rail and water, have stimulated overseas imports in a variety of goods not at present produced in the southern states, or produced in insufficient quantity to meet Queensland's demands.

The following table shows the total overseas trade of Queensland and the overseas imports and exports during the past seven fiscal years:—

	Total Trade £A	Imports £A	Exports £A	Excess of Exports £A
1931-1932.. .. .	21,031,748	4,774,859	16,256,889	11,482,030
1932-1933.. .. .	20,839,442	5,660,772	15,178,670	9,517,898
1933-1934.. .. .	25,439,045	5,821,417	19,617,628	13,796,211
1934-1935.. .. .	26,190,496	7,887,617	18,302,879	10,415,262
1935-1936.. .. .	27,618,628	8,639,474	18,979,154	10,339,680
1936-1937.. .. .	31,720,882	8,647,388	23,073,494	14,426,106
1937-1938.. .. .	36,855,398	10,296,882	26,558,516	16,261,634

Queensland's importance in overseas trade as compared with other states of the Commonwealth is indicated in the following table, which shows the total overseas trade of Australia and the share of each state for the fiscal year 1936-37:—

	Imports £A	Exports £A	Total Trade £A
Total.. .. .	116,032,179	161,557,013	227,589,192
New South Wales.. .. .	51,297,216	57,302,512	108,599,728
Victoria.. .. .	40,823,642	43,587,646	84,411,288
Queensland.. .. .	8,647,388	23,073,494	31,720,882
Southern Australia.. .. .	6,811,632	16,748,140	23,559,772
Western Australia.. .. .	7,086,097	17,295,787	24,381,884
Tasmania.. .. .	1,293,409	3,522,789	4,816,198
Northern Territory.. .. .	72,795	26,645	99,440

It will be noted that Queensland ranks next to New South Wales and Victoria both in imports and exports.

EXPORTS

As shown in the first of the foregoing tables, overseas exports from Queensland far exceed imports from overseas into that state. Wool is easily the most valuable item among Queensland's overseas exports and butter second in value. Next are meat and sugar, the former usually exceeding the latter in value. As a result of modern methods of refrigeration to meet United Kingdom requirements, the export of chilled beef is increasing in importance.

The United Kingdom is the principal purchaser of Queensland's exports, taking an average of 60 per cent of the total. Japan, Belgium, France, Germany, and the United States are the next largest customers. Purchases by Canada were valued at £A388,000 in 1934-35, £A34,000 in 1935-36, and £A478,000 in 1936-37. The increase in the latter year from the low figure of 1935-36 was largely due to resumption of direct purchases of sugar from Queensland. Recently Canada has also increased her purchases of Queensland pineapple, figured veneer hardwoods, and maize.

IMPORTS

The following table, showing the value of the main commodities imported directly into Queensland from overseas during 1936-37, the latest year for which the details are available at time of writing, affords an indication of the demands of the Queensland market for imported goods:—

Overseas Imports into Queensland by Commodities, 1936-37

	United Kingdom £ Stg.	Other British Countries £ Stg.	Foreign Countries £ Stg.
Apparel, n.e.i.	8,380	553	16,733
Boots and shoes	10,677	10	2,567
Brushware, brooms	3,417	557	1,469
Drapery and haberdashery	138,361	223	46,320
Drugs, chemicals and fertilizers	241,645	24,140	91,960
Earthenware, china and glass	95,099	441	56,478
Fibres, manufactured	12,658	64,227	55,874
Fish, fresh and preserved	49,566	53,282	37,859
Fruits and vegetables, fresh and preserved	443	11,387	21,338
Groceries, n.e.i.	14,402	13,177	11,477
Hardware and metal manufactures	512,810	37,107	104,606
Hats and caps	1,905	490	2,939
Jewellery and fancy goods	16,019	2,964	40,145
Leather and leather goods	4,213	3	1,002
Machines and machinery, other (a)	298,190	25,855	358,877
Electrical machinery and appliances	236,158	24,339	48,732
Motors, cycles and parts	267,389	228,703	296,629
Musical instruments, parts	5,596	186	8,673
Oil (exclusive of kerosene, petroleum and lubricating mineral)	7,847	440	63,053
Paints and varnishes	8,616	...	2,227
Paper and stationery	246,996	138,730	74,716
Rubber goods	16,643	5,120	32,484
Scientific apparatus	26,841	2,988	68,691
Sporting goods and materials	2,105	395	3,888
Textiles and piece-goods	695,317	66,968	259,841
Timber	38	22,627	6,359
Vehicles, other than motors and cycles and parts	10,545	2,909	3,618
Wood and wicker manufactures	5,260	2,905	6,819

(a) Includes agricultural machinery, £18,106, and dairying machinery, £49,273.

Study of the detailed figures shows that Canada was the chief supplier in the group of "other British countries." A comparison of the figures in the three columns of the table should provide sufficient indication of Canada's ability to supply the Queensland market and also indicate the relative importance of Queensland's requirements of a remarkably wide range of products.

In addition to the foregoing principal items of import from overseas, there is a substantial trade in a variety of products for those secondary industries serving the great primary industries of Queensland, including mining, hydro-electric power, road-building, and saw-milling. There is a special demand for tools of trade and special types of agricultural implements.

Slightly over half of Queensland's imports are of British origin and the greater part of these are from the United Kingdom. The most important items in Canada's share are motor cars and newsprint. The United States, Japan, and the Netherlands Indies are the leading foreign sources of supply. Motor cars and oils form nearly one-half of the imports from the United States, and oils four-fifths of imports from the Netherlands Indies.

The following table shows the value of direct imports into Queensland by supplying countries in 1935-36 and 1936-37:—

Direct Imports into Queensland by Countries

	1935-1936 £ Stg.	1936-1937 £ Stg.
British countries:—		
United Kingdom.. . . .	2,971,000	3,095,000
Canada.. . . .	603,000	541,000
Others.. . . .	325,000	262,000
Foreign countries:—		
Belgium.. . . .	23,000	44,000
France.. . . .	36,000	41,000
Germany.. . . .	152,000	197,000
Italy.. . . .	23,000	16,000
Other European.. . . .	208,000	229,000
Japan.. . . .	434,000	315,000
Netherlands East Indies.. . . .	539,000	764,000
Philippines.. . . .	4,000	5,000
Other Eastern countries.. . . .	26,000	23,000
United States.. . . .	1,165,000	1,029,000
Others.. . . .	389,000	343,000

REPRESENTATION

Overseas import trade has been handled in the past chiefly through the capital and principal port, Brisbane, approximately 85 per cent of total imports having passed through this port during the past ten years. With the increased efficiency in transshipment, however, in addition to the development of ports of call at the main coastal centres for overseas vessels, there has been a definite trend in the past few years towards decentralization, enabling overseas suppliers to quote lowered delivered prices through ports such as Rockhampton and Cairns.

It is of interest to note also that overseas firms selling in Australia, particularly firms in the United Kingdom and the United States, are giving greater attention to direct agency arrangements in Queensland in preference to the past custom of allotting representation to firms in the larger centres such as Sydney and Melbourne, which in turn operated through sub-agents or minor branches in Queensland. Consideration should be given by Canadian manufacturers and shippers interested in selling in this state to similar practice, in order that delivered costs to the ultimate consumer may be lowered by the elimination of unnecessary split commissions or over-riding payments.

It is realized that it would not be desirable, in the case of some long-established agencies operating through active branches of leading firms in the southern states, to disturb existing arrangements if sales in the state of Queensland are in proportion to sales in other states. Information is readily available regarding the standing and distributive facilities of sound Queensland importing houses, and, if full advantage is to be taken of the possibilities of this territory, Canadian shippers should carefully analyse this phase of their Australian trade.

SHIPPING SERVICES

Excellent direct shipping services between Canada and Queensland are provided by modern cargo vessels plying between Canadian Atlantic and Pacific ports and main Queensland ports. Details of sailing are given in each issue of the *Commercial Intelligence Journal* or may be obtained by writing to the Department of Trade and Commerce, Ottawa.

Inquiries from Queensland firms for Canadian products are on file at the Department of Trade and Commerce, Ottawa. The Canadian Trade Commissioner at Sydney, New South Wales, whose territory includes Queensland, will be glad to supply information and to render any assistance possible to Canadian exporters interested in this territory.

WESTERN AUSTRALIA AS A MARKET FOR CANADIAN PRODUCTS

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, July 14, 1939.—Western Australia comprises 975,920 square miles, nearly one-third (32·81 per cent) of the area of the Commonwealth of Australia, and only slightly less than the combined areas of Ontario and Quebec. The population, however, is not commensurate with the area, being estimated in 1937 at only 457,111 or 6·65 per cent of the population of the Commonwealth. In spite of this meagre population Western Australia is decidedly important in the economy of the Commonwealth. Within its borders there is produced 72·51 per cent of the country's gold, 25·46 per cent of its timber, 20·22 per cent of its wheat, 7·15 per cent of its wool, and 7·04 per cent of the bacon and ham.

The length of Western Australia from northeast to southwest is 1,480 miles, and the width from east to west 1,000 miles; accordingly the climate varies from tropical to Mediterranean. The southwest enjoys a more liberal and more assured rainfall than the rest of the state, a fact which, combined with mild temperatures, has made for a concentration of population in that part. Winter is generally the wettest of the seasons but has frequent periods of perfect weather. Summer temperatures are high by Canadian standards, but there is generally a conspicuous lack of humidity.

Large areas of Western Australia are hilly, although the mountains seldom rise above 4,000 feet. These hilly areas extend well into the state. The interior is an immense plateau, ranging from 1,000 to 2,000 feet above sea-level. The surface of this plateau consists in part of sand dunes with stretches of clay soils. Scattered throughout the plateau are long straggling rivers, which form chains of pools during the dry summer months, a condition making possible a grazing industry.

The southwest section is suitable for close settlement, and comprises an area of 98,305 square miles. This area is eminently fitted for mixed farming, dairying, and potato and fruit growing. It includes the great forest tracts which for years have been exploited for the economic production of commercial jarrah timber. Incidentally it might be noted that up to 1914 it was thought to be too hot in Western Australia to grow potatoes successfully. Scientific agricultural research now makes it possible for Western Australia not only to harvest potatoes practically throughout the year, but even to export to markets in the eastern states 1,500 miles distant.

AGRICULTURE

Agriculturally, Western Australia has been known principally for its cattle and wheat. Only thirty years ago Western Australia was not growing enough wheat for its own needs. However, after it was demonstrated that Western Australia could grow wheat economically, such marked progress was made that the export of wheat has been one of the state's principal sources of income during the past two decades. The following figures of acreage and yield indicate how wheat-growing has expanded: 1900, 74,308 acres, 774,653 bushels; 1910, 581,862 acres, 5,897,540 bushels; 1920, 1,275,675 acres, 12,248,080 bushels; 1930, 3,955,763 acres, 53,504,149 bushels; 1937, 3,033,000 acres, 34,916,000 bushels.

Western Australia has always been famous for its cattle. The beef industry was formerly of major importance in the economy of the state, and the existence of large meat-packing plants, particularly in the northeast, indicate the attention once given to this trade. The industry received a great stimulus during the Great War, but several factors, such as less certain rainfall and competition from more favoured cattle countries, have caused it to decline somewhat. The trend can be seen in the following statistics of the numbers of cattle in the state: 1900, 338,950 head; 1910, 825,040; 1918, 943,847; 1923, 953,764; 1934, 911,940; 1935, 882,761; 1936, 792,508 head.

From the earliest days of settlement in Western Australia the production of wool has bulked large in the agricultural economy. Unfortunately drought conditions frequently occur to the detriment of the industry, despite the drilling of artesian wells and the application of other methods designed to augment the water supply in the grazing areas. The effect of recent droughts is reflected in the following figures of numbers of sheep and quantities and values of wool exported:—

	Number of Sheep	Wool Exported Pounds	£A
1900	2,434,311	9,094,743	270,718
1910	5,158,516	26,197,209	966,870
1920	6,532,965	59,600,535	3,937,106
1925	6,861,795	35,015,746	3,736,300
1930	9,882,761	62,802,493	2,779,113
1935	11,082,972	84,001,538	3,413,589
1936	9,007,535	81,569,394	4,671,736
1937 . . . . .	.....	60,771,921	4,164,433

Apples and other fruits are grown successfully in Western Australia and fresh apples and pears are exported. The development of markets for these products in the Middle East and India is receiving the serious attention of the state marketing authorities.

For many years the state imported butter, at times to the annual value of over \$2,000,000. About fifteen years ago serious steps were taken to foster a dairy industry and to develop the suitable dairying lands of the southwest. Now the local production of butter exceeds the normal requirements of the state and since 1931 butter has been exported at an average rate of about 2,000,000 pounds a year.

GOLD MINING

It has been said that the discovery of gold "precipitated Australia into manhood." Many are the stories and legends of the earlier discoveries of gold in Australia, but nowhere in the Commonwealth have the discoveries been as exciting, or subsequently as rich, as those made in Western Australia.

Gold was discovered in New South Wales and Victoria early in the history of Australia, but it was not found in any quantity in Western Australia until late in the nineteenth century. Up to 1890 the total value of the gold produced in this state only aggregated £A178,473. With the discovery of the famous Kalgoorlie field in the early nineties Western Australia took its place among the premier gold-producing areas of the world. At Kalgoorlie, now a town of over 10,000 inhabitants, is located the famous "golden mile," from which gold to the value of over £A100,000,000 has been extracted.

EXTERNAL TRADE

Trade has been expanding generally in Western Australia for some years. The value of exports from the state increased from £A15,537,000 for the fiscal year ending June 30, 1933, to £A20,991,000 for the year ending June, 1937. During the same period the value of imports increased from £A13,141,000 to £A19,443,000.

EXPORTS

The following table shows the exports of the principal Western Australian products for the fiscal years ending June 30, 1933, 1937, and 1938:—

	1933	1937	1938
Butter	£A140,000	£A 93,000	£A235,739
Eggs in shell	82,000	73,000	43,107
Beef	138,000	125,000	157,004
Mutton and lamb	7,000	123,485	234,754
Fresh fruit	313,000	333,580	273,150
Wheat	4,661,000	3,627,238	4,833,523
Flour	554,000	832,000	801,888
Wool, greasy	2,404,000	3,821,527	2,838,034
Wool, scoured	115,000	235,729	220,293
Timber	15,000	478,009	721,954
Gold, uncoined	4,689,000	6,483,019	7,990,804

IMPORTS

The total values of the merchandise imported into Western Australia during the fiscal years ending June 30, 1937 and 1938, were £A5,657,562 and £A6,394,342 respectively.

The following table shows the values of the principal imports into Western Australia during the fiscal years ending June 30, 1937 and 1938:—

	1937	1938
Food and drink (except alcohol)	£ 372,964	£ 389,119
Apparel, textiles and fibres	747,637	856,100
Oils, fats, waxes and paints	821,323	879,473
Metal, metal manufactures and machinery (including vehicles)	2,057,530	2,226,761
Rubber, leather and manufactures thereof	12,842	13,678
Timber, wood and wicker manufactures	55,391	62,469
Paper, stationery and paper manufactures	308,374	283,537
Drugs, chemicals, etc.	539,299	605,215

IMPORTS OF INTEREST TO CANADA

Following are details supplied by the Western Australian Branch of the Commonwealth Bureau of Census and Statistics covering the importation into Western Australia during the fiscal year 1936-37 of a number of products of interest to Canadian exporters:—

Fish, Canned and Preserved, Including Salmon, Herring and Sardines.—Total, £101,709: Canada, £42,528; United Kingdom, £20,344; United States, £1,404; Russia, £1,052; Japan, £1,551; Norway, £12,559.

Cotton Piece-Goods (Printed, Dyed or Coloured).—Total, £73,789: Canada, £711; United Kingdom, £63,626; Belgium, £3,052.

Silk and Artificial Silk Piece-Goods.—Total, £94,916: Canada, £457; United Kingdom, £42,812; United States, £153.

Crude Asbestos.—Total, £10,478: Canada, £4; Rhodesia and South Africa, £10,461.

Air and Gas Compressors and Exhausters.—Total, £22,640: Canada, £1,161; United Kingdom, £20,983; United States, £270.

Cranes, Hoists and Other Lifting Machinery.—Total, £5,977: Canada, £237; United Kingdom, £4,632; United States, £724.

Cream Separators.—Total, £7,227: Canada, £1,838; United Kingdom, £1,886; United States, £491; Sweden, £2,956.

Carbon Manufactures of All Kinds.—Total, £2,567: Canada, £1,281; United Kingdom, £1,067; Germany, £145.

Coils, High Tension, Ignition.—Total, £493: Canada, £188; United Kingdom, £46; United States, £259.

Heating and Cooking Appliances, Stoves, Ranges and the Like.—Total, £1,749: Canada, £500; United Kingdom, £1,212; United States, £37.

Agricultural Machinery, Including Cultivators, Drills, Mowers, Ploughs and Parts.—Total, £6,011: Canada, £815; United Kingdom, £3,432; United States, £1,437.

Mangles, Clothes Wringers, Etc.—Total, £3,246: Canada, £1,152; United Kingdom, £1,255; United States, £839.

Mining Machinery, Including Rock Boring and Smelting Appliances.—Total, £21,105: Canada, £2,165; United Kingdom, £7,052; United States, £10,488.

Spark Plugs.—Total, £4,346: Canada, £3,174; United Kingdom, £1,111; United States, £61.

Refrigerators.—Total, £10,927: Canada, £1,269; United Kingdom, £790; United States, £8,868.

Copper Pipes and Tubes, Plain.—Total, £1,401: Canada, £645; United Kingdom, £731; United States, £25.

Lamps, Lampware and Lanterns, N.E.I., Etc.—Total, £12,477: Canada, £452; United Kingdom, £7,914; United States, £947; Germany, £1,496; Hongkong, £855; Sweden, £575.

Wrought Iron or Steel Pipes and Tubes, Not More Than 3 Inches Internal Diameter.—Total, £5,690: Canada, £268; United Kingdom, £5,339; United States, £65.

Tools of Trade, Axes, Hatchets, Adzes, Matchets, Etc.—Total, £6,262: Canada, £3,370; United Kingdom £316; United States, £2,511.

Files and Rasps.—Total, £7,754: Canada, £3,572; United Kingdom, £4,016; United States, £159.

Saws and Hand Saw Blades.—Total, £4,255: Canada, £2,010; United Kingdom, £1,685; United States, £457.

Chassis, Unassembled, Car and Car Type Capable of Use for Commercial Vehicles.—Total, £269,777: Canada, £89,954; United Kingdom, £102,700; United States, £77,123.

Chassis, Unassembled, Truck, Omnibus, or Other Commercial Vehicles.—Total, £163,586: Canada, £41,110; United Kingdom, £68,018; United States, £52,727; Germany, £1,731.

Chassis, Assembled.—Total, £63,027: Canada, £11,686; United Kingdom, £20,597; United States, £30,650.

Chassis Parts.—Total, £12,013: Canada, £2,251; United Kingdom, £4,930; United States, £4,818.

Motor Cars, Complete, Imported from the Commonwealth States.—Total, £34,111: Canada, £4,079; United Kingdom, £12,307; United States, £17,725.

Timber, Undressed, N.E.I., for the Manufacture of Boxes.—Total, £10,324: Canada, £7,503; Sweden, £169; New Zealand, £2,352.

Undressed Timber.—Total, £37,624: Canada, £18,206; United States, £15,621.

Handles, Brush and Tool.—Total, £4,314: Canada, £956; United Kingdom, £211; United States, £3,120.

Fruit Wrapping Paper.—Total, £7,114: Canada, £154; United States, £1,962; Finland, £2,195; Norway, £505; Sweden, £2,298.

Newsprint Paper, in Rolls.—Total, £81,909: Canada, £31,129; United Kingdom, £50,370; Germany, £410.

Newsprint Paper, in Sheets.—Total, £32,017: Canada, £3,935; United Kingdom, £25,294; Germany, £613; Norway, £618; Sweden, £608; Finland, £555.

Writing and Typewriting Paper (Plain), Etc.—Total, £24,516: Canada, £729; United Kingdom, £15,979; Finland, £1,065; Norway, £5,161; Sweden, £1,139.

Watches, Chronometers, Clocks, N.E.I., Clock Movements and Parts of.—Total, £13,213: Canada, £6,132; United Kingdom, £1,688; United States, £979; Germany, £2,815; Switzerland, £1,002.

Cyanides of Potassium and Sodium.—Total, £104,583: Canada, £20,929; United Kingdom, £82,095; United States, £127; Japan, £1,432.

Guns and Rifles Bearing Approved Test Mark.—Total, £2,391: Canada, £205; United Kingdom, £72; United States, £1,361; Belgium, £697.

Brooms, Whisks, Mops, Carpet Sweepers.—Total, £484: Canada, £105; United Kingdom, £321; United States, £50.

Painters' Brushes.—Total, £1,525: Canada, £281; United Kingdom, £1,073; United States, £19; Germany, £136.

Wall and Ceiling Parts and Decorations.—Total, £3,134: Canada, £1,385; United Kingdom, £1,260; United States, £78; Finland, £411.

REPRESENTATION

The foregoing sections of this report indicate numerous opportunities for Canadian exporters. It might be thought that Canada is not getting as large a share of the various trades as might be expected, but two main obstacles prevent a more satisfactory exploitation of this profitable market by Canadian firms. Both obstacles are geographical in origin. One is found in the distance of the distributive centres of Western Australia from the main commercial centres of the older eastern states, such as the cities of Sydney and Melbourne. It is obviously difficult for representatives of Canadian exporters in the eastern states always to cover adequately the limited markets of Western Australia.

Canadian exporters represented in an eastern city should ascertain if their representatives do actually cover Western Australia and through what agencies; whether through regular travellers operating from the east, or through a sub-agent resident in Western Australia, or through a branch office. The last is naturally the most satisfactory method of covering the market of Western Australia, and success has generally crowned the efforts of Canadian exporters who have such an arrangement. Any Canadian exporters who do not feel that their products are being satisfactorily presented in Western Australia should make the necessary inquiries of their representatives in Australia, and if necessary consult the Canadian Trade Commissioner at Melbourne, whose territory includes that state.

SHIPPING SERVICES

The other obstacle to the development of sales of Canadian products in Western Australia is to be found in the fact that the steamships normally plying between Canadian and Australian ports do not regularly call at Western Australian ports. Primarily this is due to an absence of tonnage for discharge

at Fremantle or elsewhere in Western Australia. However, it is felt that there would be sufficient tonnage offering if vessels could be fixed from Canada to Western Australia every three or four months, provided shippers receive notice sufficiently in advance to permit them to organize their Western Australian shipments in close co-operation with the importers, who are only too ready and willing to assist in the development of direct steamship services.

QUOTATIONS AND TERMS

In Kalgoorlie, Perth and Fremantle, as well as in country centres, there is a general desire to test the value of other Canadian products, and Canadian manufacturers and exporters who wish to ascertain if their products can profitably be marketed in Western Australia are invited to communicate with the Canadian Trade Commissioner at Melbourne, giving details of their products.

Initial correspondence should include prices f.o.b. nearest Canadian seaport as Australian ad valorem duties are levied on this value, and c.i.f. prices, in order that "laid down" values may be computed. Discounts and other information which will enable an importer to determine the competitive prices of the merchandise should also be given in the first letter. In order to take advantage of the preferential rates of duties, a high Canadian content is required for many products. Canadian exporters, therefore, should state whether their products have more than 75 per cent Canadian content. The close co-operation of the shipping companies operating between Canada and Australia in calculating c.i.f. prices can be relied upon and contact with these companies should be established as early as possible.

AGENCIES WANTED IN THE WEST OF ENGLAND

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, July 31, 1939.—From time to time inquiries are received by the Canadian Trade Commissioner in Bristol from manufacturers' agents, factors, and importers who wish to act as distributors in the United Kingdom for Canadian manufacturers of a variety of products. When such applications are considered to be satisfactory trade inquiries relating to them are published in the *Commercial Intelligence Journal*. In a number of cases the inquiry has been of necessity rather less specific than might be desired, and a few words of explanation may be of assistance to interested Canadian exporters.

NATURE OF PRODUCTS DESIRED

Many of the inquiries received are from firms or individuals who, though specializing in a certain type of commodity such as textiles or electrical equipment, or in supplies for a particular industry or trade such as engineering or gloving, are unable to name a definite article on which they would like offers from Canada. They are prepared to consider any lines coming within the scope of their activities, and which are competitive in quality and price with those from other sources at home or abroad. There is another type of general agent who is interested in any novel product which appears to present an opportunity for profitable market development.

Broadly speaking, the type of agency for which inquiries are most frequently received may be said to fall within one or other of the following classifications:—

(a) *Hardware Lines*.—It is obvious that the variety of products in this group, which includes small hand tools, is so wide as to make specific reference to any item impossible except in cases where the inquiry itself

is definitely for a single individual line such as, to take a recent example, "Adze-Eye" nail hammers. Canadian manufacturers of any commodity usually sold in hardware stores should consider that inquiries in this group may refer to their particular products.

- (b) *Household Electrical Supplies*.—This heading covers a considerable range of electrical products for the home, from washing machines to potato peelers, and even including equipment not specifically for household use such as motor-car accessories (electrical and other) and advertising or display signs. A number of radio wholesalers or factors are anxious to add various electrical supplies to the lines they now carry, and although certain types of equipment may not be competitive, Canadian manufacturers might find it advisable to consider whether or not their lines would be suitable.
- (c) *Textiles*.—Agents in the West of England have expressed interest in a variety of textile materials, both in garment and piece-goods form.
- (d) *Leather*.—Although market conditions are not particularly favourable at the present time, numerous inquiries have been received for agencies for Canadian manufacturers of leather.
- (e) *Foodstuffs*.—Offers of canned fruits and vegetables, canned fish, and many other packaged food products from Canada would be of interest to brokers and importers in this territory.
- (f) *Miscellaneous Products*.—As may be expected, the items included in this category cover an extremely wide range, and it is difficult even to give examples. In some cases they relate to raw materials and supplies for various industries, and in others they are new products which may not at the present time be on the market here. Shoe findings, paper serviettes, or a novelty toy might be mentioned by way of illustration. Certain agents have intimated that they would like to handle some useful patented article of a type for which a demand might exist or could be developed. In such cases, of course, the initiative must come from the Canadian manufacturers with such lines to offer.

TERRITORY

The agents located in the territory covered by this office who wish to represent Canadian firms may operate (i) in a restricted area centred around a city such as Birmingham or Bristol; (ii) in a recognized division of the country such as the Southwest of England, South Wales, the Midlands, or a combination of these; or (iii) throughout the whole of the United Kingdom. The second is the more usual field of operation for the provincial agent, although in the case of some raw materials or supplies a representative covers almost the whole of an industry such as boots and shoes, or gloves, by devoting his time to those areas where the trade is principally located.

ADVERTISING

In connection with those products which are to be sold to the general public it is sometimes necessary for the Canadian manufacturers to devise an advertising program, or to make an allowance to the distributor for this purpose. Whether or not this is essential, and the extent to which it should be carried out, will depend, of course, on the nature of the product and on the area covered by the representative. Generally speaking, a product which requires advertising on a national scale should be handled by an agent who has facilities for distribution throughout the country.

METHODS OF OPERATION

While a few representatives are prepared to carry stocks or buy on their own account, others operate only on a commission basis, the rate of commission varying for different types of products. Accounts opened by commission agents are not usually guaranteed, but credit reports are, as a rule, secured on all new customers for the guidance of the shipper. On the subject of representation, terms and methods of payment, and other points in connection with the United Kingdom market Canadian exporters are referred to a pamphlet entitled "Trading with the United Kingdom," which may be obtained from the Department of Trade and Commerce, Ottawa.

RECENT TYPICAL INQUIRIES

A selection of recent typical inquiries for agencies in the groups mentioned above follows:—

- (a) Household hardware lines, hardware and small tools, skates, nail hammers, aluminium coffee makers, mineral lock furniture, domestic scales.
- (b) Household and other electrical appliances, washing machines, advertising signs, automobile equipment.
- (c) Beachwear fabrics, glove linings, dresses, silk hosiery, casement and upholstery cloth, corset elastics.
- (d) Imitation peccary, glacé kid, patent, upper, glove and special leathers, work and gauntlet gloves.
- (e) Canned fruits and vegetables, tomato ketchup, honey in jars or cartons, cereals, macaroni, flour.
- (f) Small toys and fancy goods, liquid flow meters, boxboard, horn buttons, pictures.

Details, where available, of most of these inquiries are on file with the Department of Trade and Commerce, Ottawa. Canadian manufacturers wishing to appoint agents in the West of England for these or similar types of products are requested to communicate with the Canadian Trade Commissioner in Bristol, sending complete information, including c.i.f. quotations, commission, terms of payment, present United Kingdom agents, if any, and several copies of such illustrated literature as may be available. If convenient, samples should also be forwarded for purposes of inspection.

NEW ZEALAND'S IMPORTS FROM CANADA IN 1938

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

(Values are shown in Canadian dollars converted at the rate of £1 New Zealand equals \$4 Canadian; quantities are in hundredweights of 112 pounds and tons of 2,240 pounds.)

Auckland, June 30, 1939.—As in 1937, Canada was the fourth most important source of supply to New Zealand. Imports from Canada amounted in value to \$19,421,996 as compared with \$18,256,204 in 1937, an increase of 6·4 per cent, and accounted for 8·76 per cent of total New Zealand imports as compared with 8·1 per cent in 1937.

In the following notes imports of particular importance or interest to Canada are discussed in some detail. Where possible the value of total imports is given, as well as the value of imports from Canada in 1938, with the value for 1937 within parentheses. The probable effect of the restrictions on future imports is also discussed.

Tinned Fish.—Total, \$955,844: Canada, \$503,660 (\$476,316). Canada is the leading supplier under this heading, which includes salmon, pilchards, sardines, and lobsters. The increase in imports from Canada was largely at the expense of Japan. Were it not for the import control regulations, there would undoubtedly be a further increase in 1939.

Licences for the first six months of 1939 allowed imports of canned salmon up to 50 per cent of the value imported during the corresponding period of 1938. Licences for the second half of the year prohibit the importation of all canned fish entirely. The Government has stated its willingness to consider granting licences for otherwise prohibited goods when the exporter is prepared to leave the proceeds in New Zealand for an indefinite period. Under this scheme arrangements have been made for certain imports of canned salmon, but as no guarantee is given that the exchange rate will remain at the present level, there is involved a considerable risk, which consequently restricts the applications under this arrangement.

Wheat.—Total, \$3,214,372: Canada, \$149,128 (\$248,676). The progress of the local wheat trade is discouraging to Canada. Under the marketing conditions that prevailed prior to March, 1936, Canada obtained up to 94 per cent of the flour business and up to 70 per cent of the wheat imports. Under existing conditions, the importation of flour is prohibited, and the above figures indicate that Canada obtained only 4 per cent of the wheat business placed in 1938. The remainder went entirely to Australia.

The average annual consumption of wheat in New Zealand is 8,400,000 bushels, of which 6,300,000 are converted into flour, 410,000 bushels used for the next season's sowings, and 1,676,000 bushels used for poultry feed, pig feed, and other purposes. On this basis, somewhat less than 1 per cent of the flour milled in New Zealand last year was made of Canadian wheat. There is little chance of an improvement in the position as the trade is now a Government monopoly and everything is being done to encourage local production at the expense of imports. The present price guaranteed the local grower is the equivalent of \$1.08 per bushel, and the people have become so accustomed to the quality of the present bread that there is little demand for an improvement.

Concentrated Jellies.—Canada, \$51,848 (\$35,140). Statistics are not available to show total imports under this heading, although in 1937 96 per cent of all imports originated in Canada. The introduction of this item from Canada has substantially increased the total consumption of jellies in New Zealand, the Canadian shipments in 1938 being seventeen times total shipments from all sources in 1932. Under the restriction regulations covering the second six months of the year imports of jellies are prohibited entirely. Although certain quantities were admitted in the first half, the figures for 1939 will be substantially smaller than they have been for some time.

Macaroni, Vermicelli, and Spaghetti.—Total, \$53,940: Canada, \$19,536 (\$14,060). Imports of these products from Canada again showed an increase as compared with the previous year. This reverses the trend, apparent for some years previously, toward Australia as a source of supply. The restrictions for the second half of 1939 show no reductions on shipments from the United Kingdom, a 50 per cent reduction on shipments from Canada and Australia, and a total prohibition from foreign countries. Australia obtains the most of the packet business and Canada the best part of the bulk business. Several new connections established toward the end of 1938 promised improved business from Canada in the packet lines, if the restrictions had not appeared.

Onions.—Total, \$146,288: Canada, \$72,564 (\$70,772). New Zealand imported 3,995 tons of onions in 1938 as compared with 2,992 tons in 1937. The importation of onions is now prohibited except under conditions laid down by

the Government. In 1938 the prohibition was relaxed for a specified period, during which time free importations were allowed. For the coming season the Government proposes to handle all onion imports through the Internal Marketing Department and it is probable that the local importers will be excluded from the trade. Large shipments of New Zealand onions were made to Australia during the year, with the result that stocks are lower now than for some years. It is anticipated that imports from abroad will be greater than for some time and that purchases will be made in Canada as soon as stocks are available there.

Gin.—Total, \$452,632: Canada, \$3,556 (\$3,000). New Zealand imports of gin for the year amounted to 142,496 gallons as compared with 135,385 gallons in 1937. The introduction of a new line of gin to this market is difficult because importers of the long-established brands control the majority of the outlets throughout the country. Nevertheless, advertising has created a demand for certain Canadian lines, and with the possibility of European developments restricting supplies from that quarter the outlook for Canadian makes was encouraging. The import restrictions for the second six months of 1939, however, prohibited imports of gin entirely from all sources. Arrangements have been made with overseas distillery groups to leave the proceeds from their sales to this market in New Zealand for an extended period, and where such arrangements have been concluded import permits are being issued. It is possible, therefore, that some imports from Canada will be made despite the control regulations.

Apparel and Ready-made Clothing, N.E.I.—Total, \$6,047,588: Canada, \$572,556 (\$437,932). Total imports under this heading declined by over a million dollars as compared with 1937. However, arrivals from Canada continued the increase which began in 1932, when shipments were worth only \$28,000. So far as Canada is concerned, this group has been among the most successful in recent years. The leading item included in it is women's dresses, although bathing suits, men's shirts, and children's clothing have been of increasing importance.

The restriction regulations provided for a reduction of 66 $\frac{2}{3}$ per cent on imports for the first six months of 1939. They had little effect on the total imports for the first period, however, because of orders which were on the books before the introduction of the control measures and which were allowed to stand. Imports for the second half of 1939 have been prohibited entirely from all sources and a sharp decline in arrivals will result. Even if the restriction measures are relaxed in the future, it is likely that the local clothing trade will be protected. Long before the scheme was introduced, the New Zealand industry complained of Canadian competition. The industry employs over 12,000 people.

Hats and Caps, and Millinery.—Total, \$873,140: Canada, \$80,060 (\$78,868). Canada's share of the business under this heading has shown a steady increase since 1935, when Canadian shipments were valued at only \$4,000. The United Kingdom continues to be the leading supplier with \$552,488, with Canada in second place, followed by Australia, Germany, and Japan. Early in 1938 the tariff against finished hats from certain overseas suppliers was increased but this had little effect on the volume. The import restrictions for the second six months of 1939, however, ban importation of the article entirely from all sources.

There is an extensive hat-making industry in New Zealand, and to some extent the loss of the finished hat business will be compensated for by an increase in imports of unblocked hat hoods and trim from Canada. This business was quite extensive in 1938, when 5,788 dozen hoods valued at \$70,240, destined for further manufacture within New Zealand, were imported from Canada, as compared with 4,912 dozen hoods valued at \$61,324 in 1937. Such imports from

Canada should increase unless steps are taken by the Government to compel local manufacturers to obtain their raw material supplies from the United Kingdom.

Hosiery.—Total, \$1,460,644: Canada, \$447,056 (\$523,156). The United Kingdom, with shipments valued at \$673,436, was the only supplier under this heading credited with a larger total than Canada. Other suppliers, in order of importance, were Japan, Australia, and Germany. This classification includes hosiery of all kinds, the bulk of the quantities covered by the Canadian figures consisting of women's full-fashioned silk hose. In March, 1938, the tariff against Canadian hose was raised from 32½ per cent with 9/40ths surtax to 55 per cent without surtax. This increase, coupled with an expansion in local manufacturing facilities, was responsible for the decline in imports from Canada.

Under the control regulations for the second six months of 1939, imports of hosiery other than children's are entirely prohibited. At present there are twenty-six full-fashioned flat hosiery machines operating in New Zealand with a gross production of approximately 98,000 dozen pairs per annum. If the restrictions are relaxed to allow of imports in the future, it is probable that finished full-fashioned hosiery will still be prohibited, but that hosiery in the grey will be admitted for local finishing and packing, since such imports employ a certain amount of New Zealand labour.

Boots, Shoes, and Slippers.—Total, \$2,312,096: Canada, \$652,208 (\$623,264). In 1938 Canada was exceeded as a supplier of boots, shoes, and slippers only by the United Kingdom, which contributed to the value of \$1,266,404. Canada has made steady progress as a purveyor of footwear to this market, and of the major suppliers, which include the United Kingdom, Australia, Japan, Czecho-Slovakia, and the United States, was the only one to report better business in 1938 than in 1937.

This classification includes children's footwear, gum boots, leather shoes, canvas and rubber goloshes, slippers and footwear n.e.i. The most important item, so far as Canada is concerned, is rubber boots. Imports of these in 1938 amounted to 15,722 dozen pairs valued at \$325,900 as compared with 15,796 dozen pairs valued at \$367,564 in 1937. The restrictions provide that for the second half of 1939 imports from Canada of this type of footwear shall be limited to 50 per cent of imports for the corresponding period of 1938. English rubber boots are admitted up to 100 per cent of the 1938 figure, while imports of foreign boots are barred entirely. As Canada normally supplies about 85 per cent of total imports, the market will be definitely short before the beginning of 1940.

Rubber-soled canvas shoes are also an important item from Canada. Under this heading imports in 1938 amounted to 20,093 dozen pairs valued at \$149,604 as compared with 16,202 dozen pairs valued at \$128,804 in 1937. The restrictions for the second half of 1939 cut this classification by 25 per cent when of Canadian origin and by 100 per cent when of foreign origin. Goods from the United Kingdom are admitted up to 100 per cent of imports during the second half of 1938.

Recent years have seen a marked increase in inquiries for Canadian adult leather footwear, and had it not been for the restrictions and higher tariffs a steady expansion in volume might have been anticipated. Imports of such leather footwear from Canada in the year under review amounted to 4,334 dozen pairs valued at \$163,716 as compared with 3,841 dozen pairs at \$113,116 in 1937. The import control regulations prohibit the importation of adult leather footwear from all sources for the second six months of 1939.

Silk and Artificial Silk Piece-goods.—Total, \$3,813,100: Canada, \$117,136 (\$90,092). The leading suppliers under this heading in order of importance were: United Kingdom, \$1,402,938; Japan, \$1,261,604; Germany, \$302,444; Belgium, \$273,016; and Canada. When the import control regulations were first intro-

duced, it was hoped that larger imports of Canadian materials might make up to some extent for the losses suffered through reduced shipments of ready-made dresses to this market. Instead, artificial silk piece-goods from Canada have been reduced by 55 per cent for the second half of 1939. Similar goods from the United Kingdom are admitted up to 100 per cent and those from foreign countries prohibited entry entirely. This step occurred at a time when Canadian patterns were gaining in popularity on the market and when record shipments were looked for. Manufacturers are given special consideration and are allowed to import from any source.

Carpets, Linoleums, etc.—Total, \$2,739,160: Canada, \$22,812 (\$17,544). Imports of these commodities have been entirely prohibited from all sources for the second half of 1939. It is a disappointing development to the Canadian industry which had just started to make good progress in this market. It is an interesting sidelight on this business that the Canadian linoleum industry buys more from New Zealand in the form of raw materials than it sells here in finished products.

Iron and Steel, Bar, Bolt, and Rod.—Total, \$3,060,096: Canada, \$276,860 (\$13,760). Although Canada made great strides in this line during the year under review, the business goes largely to Australian (\$1,934,812) and United Kingdom (\$839,160) suppliers. It was not always possible to get satisfactory deliveries from Australia and the United Kingdom during the year, and that fact was partly responsible for the larger business going to Canada. The restriction measures do not affect importations under this heading.

Bolts and Nuts.—Total, \$557,440: Canada, \$49,216 (\$49,780). The value of imports from all sources under this heading was practically the same as the year before, the principal suppliers being the United Kingdom, Australia, and Canada in the order named. Imports in 1939 are being admitted up to 100 per cent of the value imported in 1938.

Iron and Steel Tubes, Pipes, and Fittings.—Total, \$2,353,188: Canada, \$280,944 (\$321,116). Despite a larger total of imports from all sources than in 1937, Canada's share declined. Part of the explanation lies in the Government's unofficial preference for United Kingdom pipe in Government housing contracts. Imports of this item have not been reduced under the import control regulations.

Artificers' Tools.—Total, \$1,434,768: Canada, \$241,936 (\$242,480). Total imports from all countries combined were only slightly lower than the year before. The United Kingdom is the largest supplier, followed by the United States, Canada, and Germany. Imports for 1939 are allowed up to 100 per cent of the value imported in 1938.

Fencing Wire.—Total, \$1,103,528: Canada, \$86,992 (\$85,380). Canada's trade was slightly larger in 1938 in the face of a small reduction in total imports. Both the United Kingdom and Australia are more important suppliers than Canada. Imports for 1939 are allowed up to 100 per cent of the value of imports in 1938.

Hardware.—Total, \$3,960,384: Canada, \$190,256 (\$200,740). Early in the year the tariff against Australian and Canadian products under this heading was increased from 20 per cent ad valorem plus a 9/40ths surtax to 30 per cent ad valorem. The rate against foreign materials was also increased. The effect of this increase was to lower total imports as compared with 1937, although Australia, Germany, and Sweden all obtained more business than in 1937.

The import control regulations deal differently with separate items under this heading. For the second half of 1939 there are no restrictions on importations of cutlery, blind rollers, clothes wringers, cast iron boilers or furnaces and radiators for central heating, and on equipment including oil burners used for this

purpose. On the other hand, plugs and washers for tubs, basins, baths, and sinks; bed fittings of cast iron; and petrol pumps, are prohibited entry entirely. Most other products under this heading are admitted up to 50 per cent of the values for the corresponding period of 1938 when of United Kingdom origin, and up to 25 per cent when of any other origin.

Agricultural Implements and Machinery.—Total, \$1,407,836: Canada, \$225,424 (\$247,384). The decline in imports of agricultural implements and machinery from Canada is in keeping with smaller purchases from all sources. Leading suppliers in order of importance in 1938 were the United Kingdom, the United States, Australia, and Canada. The import control regulations for the second half of 1939 restrict purchases of hay presses and cultivators and harrows from Canada and Australia to 45 per cent of the business done during the corresponding period of 1937.

Electrical Machinery and Equipment.—Total, \$11,394,844: Canada, \$1,030,360 (\$635,988). Canada was second only to the United Kingdom as a supplier under this heading in 1938.

A number of important items are covered by the classification, including storage and other batteries, electric motors, and miscellaneous electrical apparatus. Under the restriction measures for the second half of 1939, imports of storage batteries are prohibited entirely from all sources. This business was worth \$21,880 to Canada in 1938. The loss cannot be made up by larger purchases of battery parts from Canada as they have also been reduced. In 1938 battery parts imported from Canada were worth \$17,104. The restrictions for the second half of the year reduce imports of battery containers from Canada by 55 per cent and prohibit entirely the import of plates and separators from all sources. Imports of batteries, other than storage, which were worth \$89,588 from Canada in 1938, have been prohibited entirely from all sources for the second half of the year. Electric motors, which were imported from Canada to the value of \$116,124 in 1938, are being admitted up to 100 per cent of this figure.

There is also included under this heading imports from Canada of 3,165 electric ranges valued at \$178,408 as compared with 2,720 ranges valued at \$153,612 in 1937. The restriction regulations for the second six months of the year have reduced imports of electric ranges from all Empire countries by 55 per cent. There is a well-established domestic industry, and the only reason the reductions were not more drastic is because local facilities are not sufficient to cope with the demand. A number of expansions are under consideration, however, and it is probable that, if the licensing system is maintained, further reductions in imports will be made in future periods.

Wireless Apparatus.—Total, \$1,720,620: Canada, \$21,932 (\$44,976). The total from all sources is below the figure for the previous year but Canada's share of the trade has declined to a greater degree. The reason is that early in the year the tariff against assembled and unassembled radios from Canada was increased to the point where it was almost impossible to compete with English makes on which the duty was not altered. During the period under review unit imports from Canada amounted to 158 as compared with 693 the year before. The import restrictions for the second half of 1939 prohibit entirely the entry of radios, either assembled or otherwise, from all sources.

Typewriters.—Total, \$371,068: Canada, \$100,928 (\$85,656). The increase in the Canadian figure is the result of more made-in-Canada machines qualifying for the Empire preferential requirements of the New Zealand Government. No change in existing conditions has been made by the import control measures.

Washing Machines.—Canada, \$271,756 (\$277,304). Imports of washing machines were well maintained throughout the year, and if the import regulations had not prohibited entirely imports from all sources, it is probable that

1939 imports would have set a record. Steps are being taken to arrange local assembly of certain Canadian makes, but the value of imports in 1939 is bound to be seriously reduced because all exporters to this market have not a volume sufficient to justify this step.

Sawn Timber.—Total, \$1,715,768: Canada, \$237,320 (\$249,704). The Canadian total is made up of 6,953,888 board feet of Douglas fir and 356,703 feet of other varieties, entirely from the Pacific Coast. Although Canadian shipments showed a slight decline, imports from all sources combined showed an increase. During the year efforts were made to persuade the Government to approve of Western red cedar as a suitable timber for use in the Government housing scheme, where considerable quantities of Californian redwood are regularly used. These efforts attained success late in the year, and it is now hoped that Canada's share of the business under this heading will be larger than formerly. Rough sawn timber has not been affected by the import control regulations.

Printing Paper.—Total, \$3,281,936: Canada, \$1,703,036 (\$1,240,636). This heading includes newsprint and printing paper other than newsprint. The leading suppliers in 1938 were Canada, the United Kingdom (\$1,215,232), the United States (\$125,824), and Germany (\$122,324). The increase in the total imports is almost entirely due to larger Canadian shipments of newsprint, the figures for 1938 and 1937 being 600,230 cwts. and 502,401 cwts. respectively. Newsprint stocks in New Zealand were high at the beginning of 1937, resulting in small importations throughout the year. The position was more nearly normal throughout 1938. There has been no reduction in imports of this commodity for 1939 as compared with 1938. As newsprint is the second largest individual Canadian export to this market, imports of this commodity will alleviate to some extent the effects of the import restrictions on the 1939 trade totals.

Wrapping Paper.—Canada, \$195,468 (\$240,976). Equipment for the local production of wrapping papers has been expanded lately, and with the import control measures reducing imports of large rolls of wrapping paper from Canada by 50 per cent the future for this line is not encouraging. Under normal trading conditions Canada supplied about 85 per cent of total imports under this heading.

Paperhangings.—Total, \$296,144: Canada, \$58,784 (\$65,628). The largest supplier of paperhangings is the United Kingdom. The decline in imports from Canada is partly due to a ruling by the Government that Canadian papers could not be used for Government-constructed houses. Under the import control regulations imports of paperhangings are allowed up to 100 per cent of 1938 imports.

Timepieces.—Total, \$899,184: Canada, \$90,808 (\$82,180). Imports of timepieces from Canada have shown a steady increase in recent years. In 1938 they included 46,212 clocks and 13,096 watches as compared with 40,810 clocks and 28,611 watches in 1937. The restrictions for the second half of 1939 have reduced imports from Empire countries other than the United Kingdom by 20 per cent.

Bicycles and Tricycles.—Total, \$404,365: Canada, \$41,400 (\$45,016). Although imports from Canada declined by only 10 per cent as compared with 1937, imports from all sources combined fell by 22 per cent. The United Kingdom is the leading supplier and contributes mostly bicycles, while Canada's share is made up largely of tricycles. Items under this heading for the second six months of 1939 have been reduced by 25 per cent when of United Kingdom origin and by 55 per cent when of Canadian origin; while imports of foreign lines have been prohibited entirely.

Motor Cars, including Chassis.—Total, \$18,024,408: Canada, \$4,891,296 (\$4,510,644). Although imports from all sources declined in 1938 as compared with the previous year, Canada's shipments showed an increase of 8 per cent. This was chiefly due to one of the larger manufacturers switching his New

Zealand business from the American to the Canadian plant. Under normal trading conditions this change would almost certainly have resulted in a record Canadian volume in 1939. However, imports of unassembled motor cars have been restricted by the import regulations for the second half of 1939 to 60 per cent of the value for the same period of 1938, while imports of completed motor cars from all countries have been excluded. The regulations for the first six months of the year did not restrict the importation of motor cars from any quarter.

The business with Canada is almost entirely in cars in a completely knocked-down condition. Modern assembly plants operate at Wellington and Christchurch, while another plant is nearing completion at Auckland. The Government has been insisting that these factories use more and more local materials, with the result that it is becoming increasingly difficult to fulfil the Empire requirements on the Canadian parts.

The United Kingdom is the largest supplier of motor vehicles to New Zealand, and in 1938 supplied cars worth \$11,183,280 as compared with \$11,405,996 in 1937. The United States was in third place with imports valued at \$1,792,164 as compared with \$2,960,976. The price of fuel at approximately 40 cents a gallon encourages the demand for the small English type cars.

Motor Lorries, Trucks, and Buses, including Chassis.—Total, \$3,687,132: Canada, \$1,454,852 (\$1,713,904). Canada was the leading supplier of motor lorries, trucks, and buses, including chassis, in 1938 with imports valued at \$1,454,852 as compared with \$1,393,760 from the United Kingdom and \$838,420 from the United States. At the end of the year there were 203,498 passenger cars registered in New Zealand, 47,296 trucks, 2,216 buses, 1,676 taxis, 772 rental cars, and 635 service cars.

Parts of Motor Vehicles.—Total, \$1,714,320: Canada, \$140,520 (\$115,969). The leading supplier under this heading in 1938 was the United Kingdom with \$889,412, followed by the United States with \$517,348, Australia with \$145,656, and Canada.

Parts of motor vehicles have been reduced by 40 per cent from all sources for the second half of 1939 as compared with the same period of 1938. Unless importers transfer their purchases from other Empire and foreign countries to Canada in 1939, a marked decrease in imports from Canada may be expected.

Tires for Motor Vehicles and Motor Cycles.—Total, \$3,382,320: Canada, \$1,576,488 (\$1,717,800). In 1938 the United Kingdom replaced Canada as the leading supplier of tires to this country. This is partly due to the increased registration of English-type cars, which use a size of tire not generally manufactured in Canada. The United Kingdom total for the year was \$1,633,076 as compared with \$1,502,896 in 1937. Canada and the United Kingdom together supplied over 94 per cent of the tire requirements of the Dominion for the year.

The import control regulations have made no reduction in tire imports from the United Kingdom, but those from all other sources have been reduced by 55 per cent. For the first six months of 1939 importers with a record of tire purchases from Canada in 1938 were allowed to switch their orders to the United Kingdom and obtain the benefit of the treatment accorded tire exports from that country. It is reported that for the second six months this will not be allowed, so that the total imports for 1939 may show a considerable decline. There has been talk for some years of establishing a local tire factory but no progress beyond preliminary negotiations has been reported. If plans mature, an extension of the restrictions or a higher customs tariff against imports may be expected.

OUTLOOK FOR CANADIAN TRADE

The immediate outlook is not encouraging for Canadian export trade with New Zealand. The intention of the Government is to foster domestic manufacturing and assurances have been given that permanent protection will be

afforded home industries. Assurances have also been given that the United Kingdom trade will be affected as little as possible. If this policy is carried out, therefore, New Zealand importers will be required to curtail drastically their purchases from other sources, and while preference is certain to be given Empire over foreign countries, the prospect for Canada is not promising.

As secondary industries develop within New Zealand, the increased demand for raw materials will in part compensate for smaller purchases of manufactured lines. For this reason the blow may not be as hard on Canada as the restriction percentages at first indicate. There is the possibility, however, that the restriction regulations will divert even the raw material purchases which might be made in Canada to the United Kingdom. It is also possible that the sterling balances may be built up in time to a level where it will no longer be considered necessary to impose import restrictions, at least in their present drastic form. A further possibility is that an alternative scheme to conserve and build up these sterling balances will be evolved that will strike less heavily at Canadian trade.

In any case, so long as trading conditions remain as they are to-day Canadian exports to this country will not be on a satisfactory basis, either from the standpoint of lines already on the market or from the point of new lines which under ordinary circumstances would find outlets here in the future.

CONFECTIONERY INDUSTRY IN SOUTH AFRICA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, June 9, 1939.—The confectionery industry in South Africa has had a remarkable expansion. This expansion has taken place under the shelter of a high protective tariff, and this factor will continue to operate in promoting still further the growth of the industry.

In spite of the protection afforded it, however, imports of confectionery continue on a substantial level, although the bulk of the trade is, and will continue to be, in the products of the Union's own factories. Due to the overseas competition these are forced to keep up to date in their methods and equipment.

SWEETS OR CANDY

The production of sweets or candy in the Union in 1936-37 amounted to 49,657,000 pounds as compared with 45,960,000 pounds in 1935-36 and 41,213,000 pounds in 1934-35. These figures indicate the steady growth of local production. In 1935-36, the last year for which such figures are available, there were 76 factories engaged in the manufacture of sweets, 37 of which were located in the Cape Province and 31 in the Transvaal. Less than one dozen of these factories are of major importance. The industry employed 3,770 persons and its output was valued at £1,679,845 in 1935-36.

Customs duties on sweets or candy are 4d. per pound or 35 per cent ad valorem, whichever is the greater. As already stated, in spite of this protection imports are substantial. In 1938 a total of 2,958,840 pounds valued at £155,940 of "manufactured sweets" were imported. Under this heading practically all imports of candy, except chocolate confectionery and bonbons, are entered. Of this total the United Kingdom supplied 62 per cent or 2,072,352 pounds valued at £107,212; United States, 308,767 pounds, £21,098; Belgium, 144,132 pounds, £6,756; Holland, 134,638 pounds, £6,682; Canada, 45,567 pounds, £3,857; Germany, 31,274 pounds, £2,459; Latvia, 45,513 pounds, £1,638; Estonia, 61,708 pounds, £1,569.

Under the heading of "chocolate confectionery," which includes all types of packaged chocolates, chocolate bars, sweetened and unsweetened, and chocolate creams, a total of 1,075,760 pounds valued at £57,157 was imported in 1938.

In this case also the United Kingdom enjoyed the largest share of the imports at 84.4 per cent or a total of 911,785 pounds valued at £48,243. Other suppliers were: Belgium, 111,273 pounds, £5,405; Canada, 19,590 pounds, £1,583; Czecho-Slovakia, 5,924 pounds, £527; Holland, 10,646 pounds, £450; and Switzerland, 4,094 pounds, £208.

There is a third heading under which candy enters the Union, and that is "bonbons." This is relatively unimportant as the major part is made up of surprise packets and Christmas crackers. Total imports in 1938 amounted to £4,904, of which all except £7 was from the United Kingdom.

Imports of candy and chocolates are largely confined to superior quality products. Because of their high quality and, in some cases, more attractive packages, a higher price can be obtained than for the local product, thus enabling the overseas manufacturer to compete against the local industry in spite of the tariff. Several of the larger United Kingdom firms have branch factories in South Africa, which assists them greatly in total volume of sales. Canada at one time enjoyed a much larger sale in this market than she does to-day; in fact, imports from Canada are now only about 20 per cent of what they were before the local industry reached the high state of efficiency to which it has developed and presented the extremely active competition which it now offers.

BISCUITS

Like the sweets industry, the biscuit industry is thoroughly modern, efficient, and well capitalized. In the census of 1935-36 there are 385 factories listed under the heading of "bakeries, biscuits, etc." Actually there are only five large firms engaged exclusively in the manufacture of biscuits, although some of these have more than one factory. However, while the remainder are essentially bakeries, they have to be taken into account in considering the industry, as all of them produce biscuits of one sort or another. While some of the latter's products could not be technically termed biscuits, they are purchased for consumption in the homes—especially by the natives, coloured and poorer classes—as cookies or biscuits, and as such must be considered as playing a part in catering to the local demand.

Imports of biscuits are included under the heading "biscuits, bread, cakes, puddings, and pastry," but as the other items included amount to very little, the totals are indicative of the imports of biscuits. In 1938 they amounted to 637,542 pounds valued at £32,831. As in the case of sweets, the United Kingdom was the largest supplier with 58 per cent of the total or 301,466 pounds valued at £19,138. Canada was second with a total of 71,118 pounds valued at £4,042. Next in importance were: Belgium, 115,129 pounds, £3,727; United States, 46,367 pounds, £2,173; Holland, 35,011 pounds, £1,713; Southern Rhodesia, 50,136 pounds, £1,103; and Germany, 4,901 pounds, £410.

As also in the case of sweets, the imports of biscuits are largely confined to quality products or specialty lines not produced by the local factories because of the difference in South African wheat as compared to that available to overseas manufacturers. Local industries are able to supply the demand for the ordinary type of sweet biscuits and cream crackers or soda biscuits, and at a very much lower price, although the quality may not be as good.

It is only recently that local manufacturers have attempted to produce special lines, such as the various types popularly referred to as cocktail biscuits. It is in such lines that Canada has made steady progress during the last four years. In 1935 Canada supplied 5,743 pounds valued at £360. In 1936 imports from Canada increased considerably, amounting to 30,397 pounds valued at £2,033; in 1937 they rose again to 56,058 pounds valued at £3,783, and in 1938 to 71,118 pounds valued at £4,042.

Import figures for a number of years indicate that this market shows an appreciation of quality, and is prepared to pay within reason for it. Quantities and values of total imports in the last four years have been as follows: 1935, 344,752 pounds valued at £18,576; 1936, 429,777 pounds valued at £24,634; 1937, 514,231 pounds valued at £28,939; and 1938, 637,542 pounds valued at £32,831.

The duty on biscuits is 4d. per pound or 25 per cent, whichever is the greater. This rate means roughly that biscuits cost an additional 30 per cent landed over manufacturers' charges. To this must be added the agent's selling commission of 5 per cent, plus the wholesalers' and/or retailers' profit. All these charges definitely limit the sales of the imported article.

FOREIGN TRADE OF BURMA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.36 Canadian)

Calcutta, June 27, 1939.—A report on the Burma market which was published in *Commercial Intelligence Journal* No. 1834 of March 25, 1939, may now be supplemented by a comparatively detailed summary of Burma's foreign trade during the last two fiscal years and of its recent trade with Canada. The data on which the report is based are those issued by the Collector of Customs at Rangoon for the year 1937-38 and by the Department of Commerce and Industry for 1938-39, the latter being condensed preliminary figures only. Both of these records are of unusual interest in that they provide complete and well-compiled information on Burma's foreign commerce since her separation from India slightly over two years ago.

CONDITIONS AFFECTING BURMA'S FOREIGN TRADE

World conditions and those obtaining within the country itself have both exercised a marked effect on Burma's foreign trade during the last two fiscal years. During 1937-38 there was a strong and steady demand for most of Burma's principal exports but much of this had been dissipated in 1938-39. In addition, the latter year was unfortunately marked by serious political dissension throughout the country which, disturbing enough in itself, led to widespread labour trouble, particularly in the oilfields, and resulted in large reductions in output and foreign sales. Other major factors in the situation, which will probably be considerably clarified in the early future, are the urgency of determining a permanent basis for future trade between Burma and India and the marked development of transit trade through Rangoon to the interior areas of South and Central China.

FOREIGN TRADE IN 1937-38

The succeeding part of this report is divided into three sections. Reference to Burma's overseas trade in 1937-38 can be made in some detail. The remarks on the same subject for the year following must necessarily be more concise, while the restricted extent of Canadian business with the Burma market places a similar restriction on the concluding section.

TOTAL TRADE

The total value of Burma's foreign trade during 1937-38 was Rs.750,297,099. Similar totals for 1936-37 and 1935-36 were Rs.722,872,876 and Rs.698,958,503 respectively. The increase in 1937-38 was attributable to progressive improvement in both import and export trade. The following table gives comparative figures of imports, exports, and balance of trade for the three fiscal years:—

Total Trade of Burma, 1935-36 to 1937-38

	1935-36 Rs.	1936-37 Rs.	1937-38 Rs.
Total trade	698,958,503	722,872,876	750,297,077
Imports	208,300,159	218,019,223	238,497,283
Exports	490,658,344	504,853,653	511,799,794
Balance of trade	+282,358,185	+286,834,430	+273,302,511

BALANCE OF TRADE

Burma's traditionally heavy favourable balance of trade is clearly illustrated in the above table. It is unusual for a country to record over any period of time a larger favourable balance than the total value of imports, and this feature of Burma's present economic position is one which must exercise considerable influence on estimates of the country's prospects for the future. Even in 1937-38, when this balance had declined by Rs.13,500,000 from the high figure of the previous year, it exceeded the total value of imports by the wide margin of Rs.35,000,000.

TRADE WITH INDIA

The fact that Burma for many years was a province of India, together with the close geographical relationship of the two countries, makes it only natural that large proportions of their overseas trade should be with each other. A further, although possibly only a temporary, factor in the situation is that until March 31, 1940, all trade between the two countries, whether in domestic or foreign produce, is free of customs duties. Burma's relationship with the Indian market is accordingly shown in trade statistics to be of extensive importance. India consumed in 1937-38 only slightly less than 50 per cent of all Burma's shipments of merchandise, while out of total imports into Burma valued at Rs.238,000,000 over Rs.100,000,000 represented the value of Indian products and a further sum of Rs.10,000,000 that of foreign goods transhipped to Burma at Indian ports.

On account of commercial expediency and also of a natural desire for a complete degree of business freedom, Burma's trading relations with India may gradually show some weakening from those now obtaining; but the possibility of future trade being governed by a mutually convenient and profitable trade agreement and the natural affinity of the two countries will no doubt tend towards a reasonably close maintenance of their present relationship. Discussions relative to tariff arrangements, transshipment and tariff treatment of Burma imports at Indian ports, the treatment of immigrant Indians in Burma, and the export of Burma rice to India have already been planned and are expected to lead to an adjustment in the current position in the comparatively early future.

TRADE TRENDS DURING 1937-38

The substantial improvement in trade values in 1937-38 over the two previous years was somewhat abnormal and possibly a result of variations in methods of statistical compilation followed during the year under review from those previously employed. Noteworthy features of the year's export trade were improvements in exports of wolfram ore, pig lead, zinc and spelter, and rice bran; while, with respect to destinations, increases in values of shipments to the United Kingdom, the Straits Settlements, Germany, Hongkong, and Mauritius more than balanced declines in sales to India, Japan, and the Netherlands. The large increase in import values was spread over a wide range of commodities but specially noteworthy were increases in imports of cotton textile fabrics and of iron and steel manufactures. India, the United Kingdom, the United States, Germany, and the Netherlands benefited most from Burma's increased purchases from abroad, while there was a decided falling-off in purchases from Japan.

EXPORTS BY COMMODITIES

Burma's export business is centred around a limited range of commodities. An average of 40 per cent of the value of shipments to overseas markets is accounted for by sales of rice. Most of these are in cleaned or boiled form. Twenty-five per cent of all export values is contributed by the petroleum industry, largely in the form of crude oils and paraffin wax. Teakwood, wolfram ore, rice bran, raw cotton, and crude rubber follow in order of importance.

The following table shows the values of Burma's export trade by principal commodities in 1936-37 and 1937-38:—

Exports from Burma by Principal Commodities

	1936-37 Rs.	1937-38 Rs.
Total	504,853,653	511,799,794
Rice, not in the husk	203,873,274	205,136,871
Mineral oils	109,692,363	110,934,030
Teakwood	33,964,204	34,839,457
Pig lead	23,491,660	27,505,624
Paraffin wax	18,924,571	20,901,057
Wolfram ore	10,898,277	20,040,540
Rice bran	9,140,701	11,874,324
Raw cotton	12,696,505	8,810,000
Raw rubber	6,988,453	6,919,470
Tin ore	5,216,456	5,406,667
Zinc and spelter	3,887,165	5,102,116
Groundnut cake	3,521,495	4,081,769
Others	62,558,452	50,247,869

EXPORTS BY COUNTRIES

Burma's export business is predominantly associated with the Indian market. Of the total value of all shipments abroad during 1937-38 India was credited with no less than Rs.252,801,759. The United Kingdom is Burma's second most important market, followed at some distance by Ceylon, the Straits Settlements, Germany, Japan, Belgium, the Federated Malay States, Hongkong, and Sumatra.

The following table gives figures of exports from Burma in 1936-37 and 1937-38 by principal countries of destination:—

Exports from Burma by Principal Countries

	1936-37 Rs.	1937-38 Rs.
Total	504,853,653	511,799,794
India	280,521,324	252,801,759
United Kingdom	61,044,437	71,990,241
Ceylon	27,631,992	29,751,904
Straits Settlements	24,792,486	29,011,867
Germany	11,266,775	19,110,466
Japan	22,209,808	11,368,033
Belgium	5,179,627	7,564,940
Federated Malay States	5,638,623	7,191,586
Hongkong	1,261,421	4,916,264
Sumatra	3,255,600	4,456,211
Netherlands	8,978,911	4,056,119
Mauritius	1,856,703	3,250,475
Portuguese East Africa	2,696,972	2,926,907
South Africa	3,326,743	2,910,697
Others	45,192,231	60,492,325

IMPORTS BY COMMODITIES

Import trade into Burma is comprised to a large extent of food products and textiles. Machinery and base metals and their manufactures are of secondary importance. The largest individual group of imports into the country

consists of cotton piece-goods, followed by jute gunny bags, cotton twist and yarn, mining machinery, cigarettes, fuel oils, and such articles for human consumption as condensed milk, flour, dried fish, tea, coffee, and spices.

The following table shows the values of imports of principal commodities during the years 1936-37 and 1937-38:—

Imports into Burma by Principal Commodities

	1936-37 Rs.	1937-38 Rs.
Total	218,019,223	238,497,283
Coloured cotton piece-goods	17,229,628	21,839,710
White cotton piece-goods	11,622,389	13,087,263
Jute gunny bags	12,185,918	11,965,608
Cotton twist and yarn	6,270,770	6,749,680
Mining machinery	6,359,427	5,912,806
Cigarettes	6,121,913	5,679,865
Coal	4,397,373	5,140,903
Fuel oils	5,648,474	4,696,492
Condensed milk	3,855,934	4,499,990
Wheat flour	3,986,387	4,414,708
Dried fish, unsalted	2,998,255	3,651,154
Tea	1,940,302	3,436,177
Betelnuts	3,858,858	3,433,859
Motor cars	1,654,601	2,966,149
Groundnut oil	2,562,351	2,550,590
Others	128,326,643	138,472,329

IMPORTS BY COUNTRIES

Burma's import trade has already been shown to be comprised to an unusually large extent of Indian produce. Of the total value of imports in 1937-38 of Rs.238,498,283, India supplied no less than Rs.117,057,091. Much of the remaining half of the country's import trade was of United Kingdom origin. Japan, the United States, Germany, and the Straits Settlements also ranked high as suppliers of import requirements. Details of the trade by principal countries are given herewith:—

Imports into Burma by Principal Countries

	1936-37 Rs.	1937-38 Rs.
Total	218,019,223	238,497,283
India	109,238,468	117,057,091
United Kingdom	41,362,511	47,917,712
Japan	23,897,864	20,914,285
United States	7,143,585	10,331,317
Germany	5,832,225	7,830,272
Straits Settlements	6,313,471	6,129,036
Netherlands	2,694,448	4,648,131
Iran	5,591,538	4,627,963
Belgium	3,824,640	3,817,883
Hongkong	2,784,158	2,761,329
Australia	558,482	1,412,580
Italy	549,476	1,105,723
France	727,029	1,077,928
Poland	757,002	1,064,983
Others	6,744,326	7,801,060

FOREIGN TRADE IN 1938-39

Burma's foreign trade during 1938-39 showed a considerable recession in values from the totals of the previous year. Imports of merchandise, exclusive of treasure, declined from Rs.238,137,538 to Rs.207,778,879, while exports (also exclusive of treasure) fell off from Rs.504,320,601 to Rs.485,188,310. The resulting decrease in the value of total trade was Rs.49,391,000, the total value of imports and exports being Rs.693,067,189 as compared with the 1937-38 figure

of Rs.742,458,189. It is noteworthy, however, that Burma's customarily heavy favourable balance of trade increased from Rs.266,183,013 in 1937-38 to Rs.278,-409,431 during the year ended March last.

Decreases in the values of exports were attributable largely to contracted production and to some decline in overseas demand for mineral oils, teakwood, and paraffin wax. Exports of these products fell away by Rs.7,400,000, Rs.5,-300,000, and Rs.4,300,000 respectively. Smaller declines were recorded also in the case of pig lead, raw rubber, and raw hides and skins. The trade in rice, Burma's largest export item, showed a slight increase over the values of the previous year.

There was more variation in import trade, several items or groups showing considerable increases which, however, were more than offset by decreased business in a number of Burma's principal import commodities. Total textile imports declined in value by more than Rs.10,000,000, imports of iron and steel and their manufactures by Rs.5,500,000, those of vehicles by Rs.4,300,000, those of machinery by Rs.2,800,000, and those of tea by Rs.2,200,000. The comparatively few increases in import values were in cotton yarn and thread, several items of foodstuffs, and a variety of raw materials for industrial use.

No data on fluctuations in Burma's trade during 1938-39 as between countries of origin of imports or destination of exports are as yet available. It can only be said in this regard that in trade with India exports showed a slight increase, while imports, although slightly below 1937-38 figures, were well maintained. The declines in purchases of cotton textile products and in iron and steel goods and machinery probably occurred to a major extent in Burma's imports from India, the United Kingdom, and Japan.

TRADE BETWEEN CANADA AND BURMA

The comparatively limited volume of trade passing between Canada and Burma, and the fact that much of it is transhipped between the two countries and so loses its original identity, renders it impossible to give any detailed description of the trade's extent. Trade returns of each country have recorded direct imports from the other but owing to the lack of accurate data the figures are of comparatively small value. Some data indicative of Burma's exports to Canada are included in this country's returns of overseas trade and they are believed to comprise a reasonably large proportion of the total. In the case of Canadian trade to Burma, however, Burma Government statistics can be said to indicate a very minor proportion of its real value, most of Canada's exports to Burma, since they have been transhipped in the United Kingdom or at Hongkong or Indian ports, being credited to these countries rather than to their bona fide country of origin.

EXPORTS TO CANADA

Burma's principal exports to Canada are rice and paraffin wax. In 1936-37 the respective values of shipments of these two products to the Canadian market were Rs.655,305 and Rs.1,026,060, the total value of all exports during the year being Rs.1,688,178. In 1937-38 rice exports to Canada rose in value to Rs.837,-103, while those of paraffin wax declined to Rs.732,900. The total value of these and of small sales of miscellaneous types of rice, the only other recorded item in this trade, was Rs.1,573,469. Canada ranks as one of Burma's less important export markets and as long as the trade is limited in scope as it is at present it is bound to be one in which severe fluctuations occur.

TENDERS INVITED

Australia

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, has forwarded copies of a call for tenders issued by the Secretary of the State Electricity Commission of Victoria for two water-driven turbo-generators and accessory plant for the Kiewa hydro-electric scheme. The specifications and drawings are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders will close in Melbourne on December 12, 1938. The plant is intended to be located in a new power station to be known as Kiewa No. 3 on the East Kiewa River in the northeast of Victoria.

Particulars are as follows:—

Section 1: two 12,000 kw. water-driven turbo-generators and accessory plant; Section 2: two sets of the complete equipment necessary for the remote control of the operation of the plant covered by Section 1.

Details concerning this call for tenders may be obtained on application to the Department of Trade and Commerce, Ottawa, quoting file No. 26502.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Australia

CHANGES IN FLOUR TAXES

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Australia, reporting a recent change in Australian flour tax levied under the Flour Tax (Wheat Industry Assistance) Assessment Act 1938, and the Flour Tax (Imports and Exports) Act 1938—see *Commercial Intelligence Journal* No. 1826 (January 28, 1939), page 132—gives the rates fixed from time to time from the inauguration of the tax as follows: December 5, 1938, £5 15s. per ton; December 16, 1938, £5 7s. 6d.; March 15, 1939, £5 17s. 6d.; April 27, 1939, £5 5s.; May 19, 1939, £5; June 16, 1939, £5 10s.; July 21, 1939, £6. The rate varies according to the amount by which the f.o.r. price of wheat is less than 5s. 2d. (equivalent to 96 cents Canadian) per bushel.

Straits Settlements

REGISTRATION OF TRADE MARKS

With reference to the article in *Commercial Intelligence Journal* No. 1795 (June 25, 1938), page 1047, Mr. B. C. Butler, Canadian Trade Commissioner at Singapore, advises that the period during which holders of trade marks in the United Kingdom have the exclusive right of registration in the Straits Settlements has been extended for a further period of three months. Whereas previously it was intended that all trade marks be freely registered as from August 1, the commencement date for such unrestricted registration has now been deferred to November 1.

Belgium

LICENCE FEE ON WHEAT PRODUCTS

(Belgian franc equals 3.40 cents; metric quintal equals 220.4 pounds)

Mr. Maurice Bélanger, Assistant Commercial Attaché at Brussels, writes that effective August 1, 1939, the Belgian import licence fee on malted wheat was increased from 26.60 to 35.80 francs per metric quintal, on wheat flour from 31 to 37.80 francs per metric quintal, on wheat groats and semolina from 33 to 37.80 francs per metric quintal, and on malted wheat flour from 38 to 51.30 francs per metric quintal. The licence fee on wheat was also increased, notice of which was published in *Commercial Intelligence Journal* No. 1853 (August 5, 1939), page 297.

France

QUOTA RESTRICTIONS ON CERTAIN GOODS REMOVED

The French *Journal Officiel* of August 4, 1939, contains a notice removing until further order is issued, the import quota restrictions hitherto applicable to goods covered by about 50 items of the French customs tariff. The list thus affected includes the following items:

Item No.

- ex 93 bis.....Sugared confectionery: bonbons, comfits, caramels, fruits and vegetables preserved in sugar, etc., except chewing gum.
- ex 222Lead, hammered, rolled, filings and waste of old manufactures (lead in rough lumps, pigs, bars or slabs remain subject to quota restriction).
- ex 298Varnishes and varnish paints: other than those containing alcohol or with a base of cellulose acetate or nitro-cellulose.
- ex 460E and F ...Clothing and clothing accessories.
- 461CKraft and similar paper.
- 462ARough board of natural colour pulp, or on a base of new pulp, including glazed board for pressing cloth (Presspan): other than insulating sheets of vegetable fibres, more than 10 mm. thick.
- ex 476 bisVarnished hides and skins and parts thereof, except kid, sheep and lamb.
- 481A and BFootwear of leather for children, youths and maids.
- 482 bisSlippers of all kinds.
- ex 526 quin D...Gas rings, gas cookers.
- 535 ter BWire and cable of common metal, not insulated with rubber or any other material, etc.
- ex 604Cylinders, discs or plates, recorded or not, for gramophones, phonographs, etc.
- ex 620 bis AThread and cords of asbestos.
 Paper and board of asbestos:
 In rectangular sheets;
 Shaped, cut in non-rectangular shapes, fitted or not with thread, cloth or metal parts;
 Plaits, cloths and other articles (except lace).
- 620 bis BLinings for brakes, clutches or other friction parts.

Other products on which the quota restriction is removed include: cyanides, rectified methyl alcohol, certain porcelain and glassware, certain yarns and tissues, paper lace, sheep and lamb skins, certain sole leather, printing machines, some hardware, precision instruments and fishing rods.

In making public the notice of the suspension of quota restrictions on the foregoing goods, the French Ministry of Commerce issued the following statement:

"The French Government has decided to suspend the application of a certain number of quotas applicable to the importation of industrial products. The purpose of this policy is to simplify the administrative formalities which accompany the entry of the corresponding merchandise and to lead towards the re-establishment of free trade. The measures taken are limited, for the present, to certain industrial products and do not include any agricultural products, the prices of these latter being subject to wide variations requiring permanent control by the public authorities. The Government reserves the right to re-establish the quotas immediately, if abuse is made of their suspension to import competitive merchandise at abnormally low prices.

"The Economic Union of Belgium and Luxembourg is joining France in taking similar measures. The interested Governments hope that this initiative may be extended and serve as an example for a progressive return to the development of international trade."

China

IMPORT RESTRICTIONS

Mr. M. T. Stewart, Acting Canadian Trade Commissioner at Shanghai, advises that the National Government of China at Chungking has issued a proclamation restricting the importation of products listed under 234 tariff items, with effect from July 3. The restricted goods include wines, cigarettes, cigars, sea products, silk goods, toilet requisites, toys, medicines, meat, candy, tinned

goods, non-essential woollen and cotton goods, certain kinds of timber, and some papers. In practice, the measure will be applicable only to that part of China which remains under the control of the National Government at Chungking, and not to Shanghai or other ports in the territory occupied by the Japanese.

The foreign press of Shanghai reports that the restrictions also apply to parcel post shipments and to goods in transit but that the Ministry of Finance may issue special permits for the import of goods subject to restriction.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Honduras

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, August 8, 1939.—During the month of July the foreign exchange situation in Honduras became more aggravated. It is reported that it was difficult to obtain any exchange in June and that large amounts of lempiras were awaiting conversion into dollars. Merchants have paid their drafts covering foreign purchases in lempiras at the banks' buying rate of 2.04 lempiras to the dollar. No definite information is available as to the delay experienced by local merchants in obtaining the required foreign exchange, but reports indicate that it has been anywhere from two to three months.

As a result, the amount of funds on deposit in Honduras awaiting remittance, particularly to the United States and other countries, has considerably increased. At the middle of July there was approximately U.S.\$400,000 blocked in Honduras due to the shortage of foreign exchange, and it was estimated that 90 per cent of that amount was due United States firms.

The general practice of the local banks is to collect lempiras at the banks' buying rate and hold these lempiras on deposit until the required exchange becomes available.

El Salvador

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, August 15, 1939.—As a result of El Salvador's excellent coffee crop for the 1938-39 season, amounting to approximately 850,000 bags, ample exchange reserves are held by the Banco Central de Reserva, amounting to U.S.\$2,512,177 on June 30 as compared with U.S.\$1,904,604 at the same time in 1937. Little exchange is available in the open market; but the Central Bank is well able to meet normal demands until such time as exchange from the next crop becomes available.

At June 30 commercial banks were quoting from 2.50½ to 2.51 colones per dollar exchange, which figures approximately represent the average rates during May and June. Askimarks were offered at 72½, a discount of approximately 27½ per cent over the free mark rate. Gold stocks held in the Central Bank at June 30 were 13,208,269 colones, while notes in circulation dropped to 14,668,911 colones.

Middle Asia

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Singapore, July 21, 1939.—There has been no change in the exchange situation in Middle Asia since April. No exchange regulations of any kind are in force in British Malaya, Netherlands India, or Thailand (Siam).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUG. 21, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 21, 1939, and for the week ending Monday, August 14, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 14	Nominal Quotations in Montreal Week ending Aug. 21	Official Bank Rate
Belgium.....	Belga	.1001	\$.1698	\$.1698	2½
Bulgaria.....	Lev	.0072	.0121	.0121	6
Denmark.....	Krone	.2680	.2089	.2089	3½
Finland.....	Markka	.0252	.0205	.0205	4
France.....	Franc	.0392	.0264	.0264	2
Germany.....	Reichsmark	.2382	.4012	.4011	4
Great Britain.....	Pound	4.8666	4.6807	4.6812	2
Greece.....	Drachma	.0130	.0086	.0086	6
Holland.....	Guilder	.4020	.5371	.5363	2
Hungary.....	Pengo	.1749	.2950	.2950	4
		Unofficial	.1957	.1960	—
Italy.....	Lira	.0526	.0526	.0526	4½
Yugoslavia.....	Dinar	.0176	.0227	.0228	5
Norway.....	Krone	.2680	.2352	.2351	3½
Poland.....	Zloty	.1122	.1879	.1881	4½
Portugal.....	Escudo	.0442	.0425	.0425	4-4½
Roumania.....	Leu	.0060	.0070	.0070	3½
Spain.....	Peseta	.1930	.1099	.1099	4
Sweden.....	Krona	.2680	.2412	.2412	2½
Switzerland.....	Franc	.1930	.2257	.2257	1½
United States.....	Dollar	1.0000	1.0000	1.0001	1
Mexico.....	Peso	.4985	.1663	.1685	3
Cuba.....	Peso	1.0000	.....	.....	—
Guadeloupe.....	Franc	.0392	.0265	.0265	—
Jamaica.....	Pound	4.8666	4.6907	4.6912	—
Martinique.....	Franc	.0392	.0265	.0265	—
Other British West Indies.....	Dollar	1.0138	.9751	.9753	—
Argentina.....	Peso	.4245	.3121	.3121	3½
		Official buying	.2753	.2753	—
		Unofficial	.2320	.2315	—
Brazil.....	Milreis (Paper)	.1196	.0606	.0606	—
		Unofficial	.0505	.0503	—
British Guiana.....	Dollar	1.0138	.9751	.9753	—
Chile.....	Peso	.1217	.0517	.0517	3-4½
		Unofficial	.0400	.0400	—
Colombia.....	Peso	.9733	.5715	.5699	4
Peru.....	Sol	.2800	.1850	.1850	6
Venezuela.....	Bolivar	.1930	.3100	.3100	—
Uruguay.....	Peso	1.0342	.6159	.6160	—
		Unofficial	.3604	.3602	—
South Africa.....	Pound	4.8666	4.6690	4.6695	3½
Egypt.....	Pound (100 Piastres)	4.9431	4.8000	4.8000	—
China (Shanghai).....	Dollar	.....	.0688	.0667	—
Hongkong.....	Dollar	.....	.2851	.2844	—
India.....	Ruppee	.3630	.3497	.3498	3
Japan.....	Yen	.4985	.2728	.2728	3.29
Java.....	Guilder	.4020	.5371	.5370	—
Thailand (Siam).....	Baht (Tical)	.4424	.4290	.4291	—
Straits Settlements.....	Dollar	.5678	.5484	.5485	—
Australia.....	Pound	4.8666	3.7446	3.7450	3
New Zealand.....	Pound	4.8666	3.7596	3.7600	4

The Dominion Bureau of Statistics has supplied the following note:—

Although under continued pressure the pound sterling held between \$4.6805 and \$4.6812 for the week ended August 21. Almost constant intervention on the part of the British equalization fund was necessary to hold spot rates firm but discounts on futures increased, as indicated by a widening on 90-day forwards from 1½ per cent on the 15th to 2½ per cent on the 18th. Flight of capital from Europe became more active as the political tension there increased. The Dutch guilder moved down from 53.70 cents on the 15th to 53.62 cents on the 17th then strengthened to 53.71 on the 19th but closed easier at 53.63 cents. The United States dollar remained at par till August 21, when it was quoted at a premium of $\frac{5}{32}$ of 1 per cent.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Tomato Catsup.....	335	Singapore, Straits Settlements.....	Purchase.
Butter.....	336	St. Croix, Virgin Islands..	Agency.
Herrings (Tinned).....	337	Melbourne, Australia.....	Agency.
Smoked Cod Fillets.....	338	Melbourne, Australia.....	Agency.
Fish, All Types.....	339	St. Croix, Virgin Islands..	Agency.
Poultry.....	340	Bristol, England.....	Agency.
Lard, Vegetable.....	341	St. Croix, Virgin Islands..	Agency.
Miscellaneous—			
Tinsel Cloth (for Cleaning Pots and Pans).....	342	Auckland, New Zealand...	Purchase or Agency.
Silk Stockings (Ladies and Gents)	343	Sliema, Malta.....	Purchase and Agency.
Cotton, Piece Goods.....	344	Port-au-Prince, Haiti.....	Agency.
Buttons, All Kinds.....	345	Port-au-Prince, Haiti.....	Agency.
Buckles, Ladies' Belt (Paper and Metal).....	346	Rotterdam, Holland.....	Purchase.
Sheepskin (for Moccasins or Slippers).....	347	Dublin, Eire.....	Agency.
Skins (Pickled Sheep and Lamb).	348	Long Island City, New York.....	Purchase.
Leather, Cow Belly Splits.....	349	Stourbridge, England.....	Purchase.
Leather (Artificial).....	350	Rotterdam, Holland.....	Purchase.
Luggage.....	351	Edinburgh, Scotland.....	Agency.
Resin, Esterfied (or Ester Gum).	352	Durban, South Africa.....	Agency.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—Concluded			
Fluorescent Materials, Luminous			
Paint Pigments and Radio-			
active Materials.....	353	Sydney, Australia.....	Purchase or Agency
Elastics, Fancy.....	354	Sydney, Australia.....	Purchase or Agency.
Lathe, Machine Tool.....	355	Birmingham, England.....	Purchase or Agency.
Bolts and Nuts, Carriage.....	356	Glasgow, Scotland.....	Purchase.
Skates, Hockey Sticks, other			
Sports' Goods.....	357	Edinburgh, Scotland.....	Agency.
Skates, Roller.....	358	Singapore, Straits Settle-	
		ments.....	Purchase.
Castors, Pressed Steel.....	359	London, England.....	Purchase or Agency.
Wire, Soft Galvanized Iron.....	360	Singapore, Straits Settle-	
		ments.....	Purchase.
Carbonators and Cooler Units...	361	Sydney, Australia.....	Purchase or Agency.
Engines, Gasoline, Air-cooled....	362	Adelaide, Australia.....	Purchase.
Asbestos Cement Gutters,			
Socketted Pipes, Bends.....	363	Singapore, Straits Settle-	
		ments.....	Purchase.
Glassware.....	364	Port-au-Prince, Haiti.....	Agency.
Smokers' Pipes, All Kinds.....	365	Port-au-Prince, Haiti.....	Agency.
Religious Articles, All Kinds.....	366	Port-au-Prince, Haiti.....	Agency.
Rubber Tubing.....	367	Pontypridd, Wales.....	Purchase.
Toys.....	368	Edinburgh, Scotland.....	Agency.
Toys, All Kinds.....	369	Port-au-Prince, Haiti.....	Agency.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of York, Sept. 1; Duchess of Richmond, Sept. 9; Duchess of Bedford, Sept. 15; Duchess of Atholl, Sept. 22—all Canadian Pacific; Antonia, Sept. 8; Andania, Sept. 22—both Cunard-White Star Line; Tindefjell, Aug. 31; Vigor, Sept. 27—both Fjell Line.

To London.—Beaverdale, Sept. 1; Beaverhill, Sept. 8; Beaverford, Sept. 15; Beaverburn, Sept. 22; Beaverbrae, Sept. 29—all Canadian Pacific; Ausonia, Sept. 1; Alaunia, Sept. 8; Aurania, Sept. 15; Ascania Sept. 22—all Cunard-White Star Line; Rutenfjell, Sept. 6; Harpefjell, Sept. 20—both Fjell Line; Prins Willem II, Aug. 30; Prins Willem Van Oranje, Sept. 20; Prins Maurits, Oct. 3—all Oranje Line.

To Manchester.—Manchester City, Aug. 31; Manchester Regiment, Sept. 7; Manchester Port, Sept. 14; Manchester Citizen, Sept. 21; Manchester Progress, Sept. 28; Manchester Commerce, Oct. 5—all Manchester Line; Tindefjell, Aug. 31; Vigor, Sept. 27—both Fjell Line.

To Southampton.—Montrose, Canadian Pacific, Sept. 7 and 30.

To Avonmouth, Bristol, Cardiff and Swansea.—Dakotian, Sept. 6; Dorelian, Sept. 23; Norwegian, Oct. 11—all Cunard-Donaldson and Dominion Lines; New York City, Sept. 14; Bristol City, Sept. 30—both Bristol City and Dominion Lines.

To Glasgow.—Letitia, Sept. 2; Delilian, Sept. 8; Athenia, Sept. 15; Sulairia, Sept. 22—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Consuelo, Sept. 7; Bassano, Sept. 21—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnesk, Sept. 6; Cairnmona (also calls at Dundee), Sept. 13; Cairnross, Sept. 20; Cairnvalona, Sept. 27; Cairnglen, Oct. 4—all Cairn-Thomson Line.

To United Kingdom Ports.—Windsorwood, Sept. 8; Maplewood (calls at London), Sept. 10; Wearwood, Sept. 28; Briarwood (calls at London), Oct. 5—all Constantine Line.

To Belfast and Dublin.—Fanad Head, Head Line, Aug. 30 (also calls at Londonderry and Cork).

To Hamburg and Bremen.—Beaverdale, Sept. 1; Beaverburn, Sept. 22; Beaverhill, Oct. 13—all Canadian Pacific (do not call at Bremen); Bochum, Hamburg-American Line, Sept. 15; Aachen, North German Lloyd Line, Sept. 29.

To Haave.—Eastern Star (also calls at Dunkirk), Aug. 27; Lista, Sept. 10; Hada County, Sept. 24—all County Line.

To Antwerp.—Beaverford, Sept. 15; Montrose, Sept. 30; Beaverdale, Oct. 6—all Canadian Pacific; Lista, County Line, Sept. 10; Rutenfjell, Sept. 6; Harpefjell, Sept. 20—both Fjell Line; Prins Willem II, Aug. 30; Prins Willem Van Oranje, Sept. 20—both Oranje Line.

To Rotterdam.—Grey County, County Line, Sept. 3; Rutenfjell, Sept. 6; Harpefjell, Sept. 20—both Fjell Line; Prins Willem II, Aug. 30; Prins Willem Van Oranje, Sept. 20; Prins Maurits, Oct. 3—all Oranje Line.

To Norwegian Ports.—Idefjord, Sept. 12; Topdalsfjord, Oct. 15—both Norwegian-American Line; Tindefjell, Aug. 31; Vigor, Sept. 27—both Fjell Line.

To Scandinavian and Baltic Ports.—Ragnhildsholm, Swedish America Mexico Line, Sept. 12.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Olmo, Sept. 7; Capo Noli, Sept. 26—both Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—Gaspesia, Aug. 30 and Sept. 13; New Northland, Sept. 4 and 18—both Clarke SS. Co. (call at Cornerbrook only); Belle Isle, Newfoundland-Canada SS. Ltd., Sept. 8 and 22 (calls at St. John's and St. Pierre-Miquelon); Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd., Aug. 29.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, Sept. 2; Chomedy, Sept. 16; Colborne, Sept. 30—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Lady Rodney, Aug. 30; Cavelier (calls at Kingston only), Sept. 8; Lady Somers, Sept. 13; Cathcart (calls at Kingston only), Sept. 22—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Ary Lensen, Sept. 9; Maud, Sept. 23; a steamer, Oct. 7—all Ocean Dominion SS. Corp.

To Buenos Aires.—Tercero, International Freighting Corporation, Sept. 8 (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Kaipaki, Sept. 25; a steamer, Oct. 25—both Montreal Australia New Zealand Line Ltd. (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—City of Glasgow, Sept. 9 (also calls at Bluff); a steamer, Oct. 10—both Montreal Australia New Zealand Line Ltd.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Mapia, Sept. 23; Brastagi, Oct. 19—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Calgary, Aug. 27; Orestes, Sept. 27—both Elder Dempster Lines Ltd.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Manila, Canada India Service, Sept. 14.

From Quebec

To Southampton.—Empress of Australia, Sept. 2 and 16; Empress of Britain, Sept. 9—both Canadian Pacific.

From Saint John

To Liverpool and Manchester.—Manchester Division, Manchester Line, Sept. 2.

To London, Aberdeen, Newcastle and Hull.—Kyno, Aug. 25; Gitano, Sept. 22—both Ellerman's Wilson Line.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, Aug. 30; Lady Nelson, Sept. 13; Lady Hawkins, Sept. 27—all Canadian National.

To Kingston and Jamaican Outports.—San Gil, Sept. 7; Argual, Sept. 21; a steamer, Oct. 5—all United Fruit Co.

From Halifax

To Liverpool.—Nova Scotia, Sept. 6 and Oct. 7; Newfoundland, Sept. 21—both Furness Line.

To St. John's, Nfld.—Fort Amherst (also calls at Cornerbrook), Aug. 28 and Sept. 11; Fort Townshend (also calls at St. Pierre), Sept. 5 and 18—both Furness-Red Cross Line; Magnhild, Newfoundland-Canada Steamships Ltd., Sept. 4 and 18 (also calls at St. Pierre and Newfoundland outports); Portia, Newfoundland Ry. and SS. Co., Aug. 30 and Sept. 13; Nova Scotia, Sept. 6 and Oct. 7; Newfoundland, Sept. 21—both Furness Line.

To Kingston, Jamaica.—Cathcart, Aug. 28 and Sept. 25; Cavelier, Sept. 11—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, Sept. 7; Lady Nelson, Sept. 21; Lady Hawkins, Oct. 5—all Canadian National; Olympia, Aug. 31; Ary Lensen, Sept. 14; Maud, Sept. 28—all Ocean Dominion SS. Corp. (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, Sept. 6; Chomedy, Sept. 20; Colborne, Oct. 4—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillemor, Sept. 7; Lillgunvor, Sept. 21—both Pickford & Black Ltd. (also call at Jamaican outports as cargo offers).

To Far East Ports.—Silveryew, Sept. 5; Silverwalnut, Oct. 6—both Silver Line; Siamese Prince, Furness-Prince Line, Sept. 21.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, Sept. 9; Hikawa Maru, Sept. 30; Hie Maru, Oct. 14—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Canada (calls at Honolulu), Sept. 2; Empress of Russia (calls at Nagasaki), Sept. 16; Empress of Japan (calls at Honolulu), Sept. 30; Empress of Asia (calls at Nagasaki), Oct. 14—all Canadian Pacific; Ixion, Sept. 12; Titan, Sept. 24—both Blue Funnel Line (call at Miike but not at Manila).

To Honolulu, Suva, Auckland and Sydney.—Aorangi, Aug. 30; Niagara, Sept. 27—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia and Singapore.—Djambi (calls at Colombo, Bombay and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Aug. 31; Silveray (calls at Saigon, Belawan Deli, Colombo and Bombay, will also call at Port Swettenham and Penang if sufficient cargo offers), Sept. 9; Tosari (calls at Colombo, Bombay and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Sept. 30—all Silver-Java Pacific Line.

To Papeete, Sydney and Melbourne.—Cape Horn (also calls at Adelaide), Sept. 15; Tolten (also calls at Auckland, Wellington and Newcastle), Sept. 27—both Canadian-Australasian Line Ltd.

To Fremantle and Adelaide.—Leikanger, Empire Shipping Co. Ltd., Sept. 4.

To Brisbane, Sydney, Melbourne and Adelaide.—Kookaburra, Sept. 12; Parrakoola, Oct. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Lochkatrine, Sept. 2; Lochmonar (also calls at Glasgow), Sept. 16; Drechtdyk, Sept. 30—all North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Annie Johnson, Sept. 7; Axel Johnson (calls at Plymouth), Sept. 22; Nordstjerman (calls at Plymouth but not at Hull), Sept. 30—all Johnson Line.

To Antwerp, Hamburg and Bremen.—Weser, North German Lloyd Line, Sept. 13; Vancouver, Hamburg-American Line, Sept. 30.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—San Antonia, Sept. 12; San Francisco, Oct. 2—both Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Fella, Sept. 11; Rialto, Oct. 7—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—Manoeran, Silver-Java Pacific Line, Sept. 6 (calls at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Sheafcrowne (also calls at Beira), North Pacific Shipping Co. Ltd., early September.

To West African Ports.—A vessel, Jorgensen Shipping Company A/B, end of September or beginning of October (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., late August and September.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Evanger, Sept. 28; Brandanger, Oct. 26—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

To Buenaventura and Guayaquil.—A steamer, North Pacific Shipping Co. Ltd., September (also calls at Mexican and Central American west coast ports).

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER. Address for letters—90 Queen Street. Office—Safe Deposit Office Building. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

J. C. MACGILLIVRAY, 801 Columbus-Haus, Potsdamer Platz 1, Berlin W.9. (Territory includes Czecho-Slovakia and Poland.) *Cable address, Cantracom.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*): and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

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New Zealand

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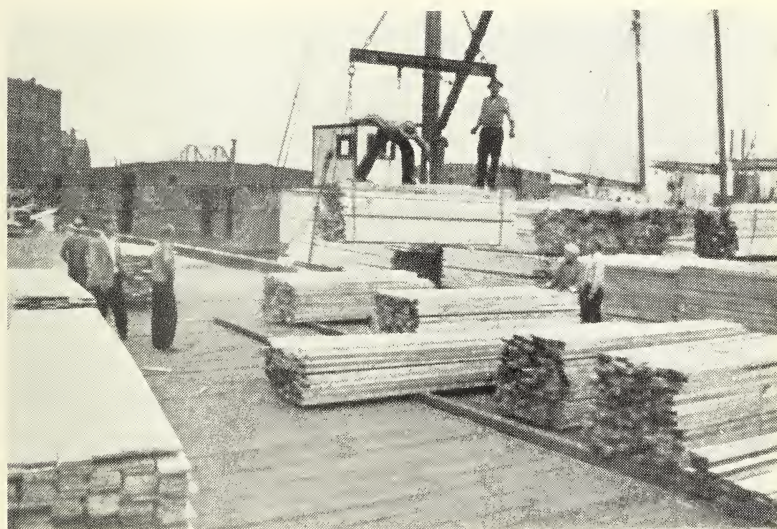
Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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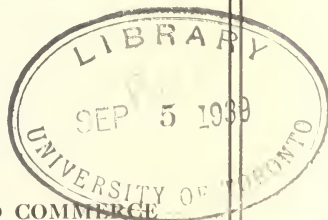
Ottawa, September 2, 1939

No. 1857



Unloading B.C. Douglas Fir and Hemlock off Barge at Brooklyn, N.Y.
Cargo of about 350,000 Feet.

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, September 2, 1939

No. 1857

BUSINESS CONDITIONS IN THE UNITED STATES, JANUARY-JUNE

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, August 18, 1939.—Despite the political tension in Europe and the Far East, and adverse domestic labour conditions, trade reports throughout the United States of America for the first six months of 1939 indicate that the upward business movement has been fairly broad in its scope. Returns from the steel industry, automobile manufacturers, construction, bank clearings, and car loadings all lend weight to this viewpoint.

One fact to be kept in mind in reviewing economic conditions in this country is that the end of June marked the close of the ninth successive year of deficit financing by the Federal Government. During this period the national debt has increased by approximately twenty-five billion dollars. No deductions as to the results of these enormous expenditures are volunteered owing to the political element involved.

One element factor in the general business picture was the serious and unexpected setback suffered throughout the country by the prolonged suspension of operations in the bituminous coal industry, which was followed by other serious labour difficulties in other leading industries.

STEEL INDUSTRY

Steel mill operations have increased steadily since the middle of May and at the end of June were having a contra-seasonal advance. Prospects are favourable for the maintenance of steel-making near its present level most of July and August. The rolling mills have heavy backlogs of automobile orders, against which they are awaiting specifications, but orders in some divisions are being worked down. Despite price cuttings in May and increased operations since that month, inventories do not appear to be piling up.

According to the reports of the American Iron and Steel Institute, the output of steel ingots for the first six months of 1939 totalled 18,629,927 tons, a gain of 73 per cent over the total of 10,788,583 tons in the same period of 1938. Production on an average was 52.7 per cent of capacity for the six months as compared with 31.1 per cent in the 1938 period.

AUTOMOBILE INDUSTRY

Automobile production at the end of June was experiencing the usual slowing down preliminary to the shift to new models, with July and August expected to be the low months of the year. Retail sales in recent months have been holding at very satisfactory levels and dealers have been able to reduce stocks. The chief factor which caused concern in the industry was the strike of the tool and die workers at the General Motors plants.

The manufacturers are preparing to bring out their 1940 models at an earlier date than usual and the National Automobile Show will be held on October 15 this year instead of in November.

The Automobile Manufacturers Association reports that total production for the first six months of this year amounted to 2,047,288 units, an increase of 57 per cent over production for the first half of last year, which totalled 1,305,501 units. The total consisted of 1,647,667 passenger cars and 399,621 commercial units. Compared with the six months' period of 1938 these represented gains of 62·7 per cent for cars and 36·4 per cent for trucks.

It is estimated that 87 per cent of the first half-year's production went into the domestic market, which absorbed 1,778,527 cars and trucks or 75 per cent more than last year. Foreign sales during the half-year reflected the uncertainties of world trade rather less than might have been anticipated during the early part of the year.

CONSTRUCTION

Construction contracts in the 37 Eastern States, as reported by the F. W. Dodge Corporation, were 30 per cent higher in value in the first half of 1939 than in the initial six months of 1938, and were 13 per cent in excess of the awards in the first half of 1937. Publicly financed projects and private residential building accounted for the major part of the increase in construction contracts this year. Contracts awarded for private construction other than residential buildings showed a gain of only 10 per cent over a year ago.

The Federal Housing Administration reports that in the first half of this year small home mortgages selected for appraisal amounted to \$602,000,000 as compared with \$455,200,000 in the first six months of 1938, an increase of 32 per cent. The greatest proportion of this amount, \$410,200,000, was to be used for new homes and, as compared with \$243,500,000 in the 1938 period, was a gain of about 80 per cent.

Present indications are believed to point to a continuation of relatively high activity during the remainder of the year, while the year as a whole is expected to be the sixth consecutive one to show an increase in the total volume of construction.

NEWSPRINT

A recent report issued by the Newsprint Service Bureau indicates that the production of 1,951,066 tons of newsprint paper in North America for the January-June period of 1939 was 9·3 per cent above the production of 1,785,677 tons for the like period of 1938. Canada supplied 1,341,064 tons or 68·7 per cent of the total amount, the United States 471,888 tons, and Newfoundland 138,114 tons.

The Canadian output of 1,341,064 tons of newsprint paper in the first six months of this year was 81,193 tons or 6·4 per cent above the total output of 1,259,871 tons in the 1938 period. The United States production of 471,888 tons was 77,934 tons or 19·8 per cent more than the total of 393,954 tons in the first half of 1938. The output of Newfoundland mills at 138,114 tons showed an increase of 6,262 tons or 4·7 per cent over the January-June, 1938, production of 131,852 tons.

Shipments from United States and Canadian mills amounted to 1,779,381 tons, while production for these two countries totalled 1,812,952 tons. Mill stocks in the United States and Canada for the period were 17,428 tons and 196,164 tons respectively, or a total of 213,592 tons as against 211,223 tons in the like period of 1938.

United States imports of newsprint paper for the first six months of 1939 totalled 976,480 tons as compared with 866,824 tons in the corresponding period of 1938. Canada supplied 814,510 tons or 83 per cent; European countries, 134,883 tons or 14 per cent; and Newfoundland, 27,087 tons or 3 per cent.

AGRICULTURE

At the end of June of this year it was estimated that the United States average yield of wheat, oats, barley, and rye would be under the average yield per acre for the 1937-38 period. The corn, tobacco, flaxseed, and sugar beet crops were expected to be larger than those of last year. Aggregate production of all crops will be close to the average level prior to recent droughts. It is doubtful if the aggregate crop production will approach the bumper production of 1937 or even equal that of 1938.

FARM INCOME

The Bureau of Agricultural Economics estimates cash farm income, including Government payments, for the first half of this year at \$3,381,000,000 or 1 per cent more than the figure of \$3,341,000,000 reported in the first six months of 1938. Government payments for the period amounted to \$414,000,000 as against \$257,000,000 in the 1938 period, an increase of 61 per cent. Farmers' income from marketings totalled \$2,967,000,000 and was 4 per cent under the income of \$3,084,000,000 estimated for the January-June period of 1938. Although there was an increase in the income from the marketing of grains, meat animals, vegetables, and chickens and eggs, this was more than offset by smaller receipts from cotton, dairy products, tobacco, and fruits.

WHEAT

The outstanding factor in the wheat situation this year is the extremely large carry-over, which is due mainly to last year's record-breaking output. The outlook is for a large available supply of wheat, and this outlook is reflected in the decline of wheat prices in world markets.

According to the Crop Reporting Board, conditions on July 1 indicated a total wheat crop in the United States of 716,655,000 bushels in 1939 as compared with the relatively large crop of 930,201,000 bushels in 1938 and the ten-year (1928-37) average of 752,952,000 bushels, a decrease of 23 per cent and 5 per cent respectively.

Winter wheat production is placed at 537,767,000 bushels as compared with 686,637,000 bushels in 1938 and the ten-year average of 560,160,000 bushels. The acreage of winter wheat harvested or to be harvested is estimated at 38,572,000 acres, which compares with 49,711,000 acres in 1938 and the ten-year average of 38,160,000 acres.

The production of all spring wheat is estimated at 178,888,000 bushels for 1939 as compared with 244,164,000 bushels harvested on a 20 per cent larger acreage in 1938. The 1928-37 average production is 192,792,000 bushels. The area of all spring wheat harvested is placed at 16,428,000 acres as compared with 20,510,000 acres in the previous year and the ten-year average of 17,645,000 acres.

Durum wheat production in 1939 is estimated at 30,890,000 bushels as compared with 40,445,000 bushels harvested in 1938 and the 1928-37 average of 35,076,000 bushels.

On July 1 the stocks of old wheat on farms was 90,838,000 bushels as compared with 59,113,000 bushels a year ago. The wheat stocks at July 1 this year were the second largest on record for that date, being only exceeded on July 1, 1932, by the total of 93,769,000 bushels.

CORN

The indicated production of corn on July 1 was 2,570,795,000 bushels as compared with 2,542,238,000 bushels in 1938 and the ten-year average of 2,309,674,000 bushels. The acreage of corn harvested is estimated to be 90,734,000

acres, a decline of 1.2 per cent from 91,792,000 acres harvested in 1938. The average yield of corn, based upon condition, is 28.3 bushels per acre, which compares with 27.7 bushels per acre in 1938. An important factor leading to relatively high yields per acre this year is the large percentage of the acreage planted with seed of corn hybrids. About 24,000,000 acres were planted to corn hybrids as against 17,000,000 acres in the previous year.

Stocks of old corn on farms on July 1, 1939, were 836,921,000 bushels as against 642,922,000 bushels on hand on July 1, 1938.

COTTON

The acreage of cotton in cultivation in the United States on July 1, as estimated by the Crop Reporting Board, was 24,943,000 acres. This is 0.3 per cent under the area of 25,018,000 acres on July 1, 1938. The estimate for production for this year is 13,800,000 bales of 478 pounds as compared with 11,943,000 bales in 1938.

COMMODITY PRICES

The level of wholesale commodity prices has moved slowly but steadily downward in recent weeks. The index of the Bureau of Labour Statistics declined without interruption during the five weeks ended June 17. The present level is the lowest since the summer of 1934. While all the major groups of commodities included in the index, except hides and leather products and house-furnishing goods, shared in the decline, the recession in farm products was the most pronounced.

In the farm group, hides, wool, and cotton were higher, while sugar, corn, and wheat were moderately lower. Hogs fell to their lowest level since December, 1934, and cattle to the lowest since May, 1938.

Commodities in the metal group were fairly stable, while in the textile group silk declined and wool and cotton registered increases.

MONEY AND BANKING

Of interest to the money market was the action by the Federal Reserve Banks in the final week of June in reducing their open market holdings of Federal securities by something over \$13,000,000. This change, while small, was noteworthy, since it was the first alteration of any consequence in the sum total of this account since 1937, when holdings were increased. The decrease was wholly in the Federal Reserve System's holding of Treasury bills.

The inflow of foreign capital, which started to ease off in the latter part of May, subsided further in June. Later, however, the crisis in the Far East and renewed tension in Europe reversed this movement and once again imports of gold increased. On June 21 the monetary gold stock totalled \$16,060,000,000.

Member bank reserves remained practically unchanged, while excess reserves declined \$70,000,000. The drop in excess reserves reflected a considerable increase in required reserves due to the marked expansion in member bank deposits.

Demand deposits of reporting member banks increased \$531,000,000 during the four weeks ended June 14, although total loans and investments rose \$269,000,000. All the principal classes of investments increased by substantial amounts, while the rise in loans was much smaller. Commercial, industrial, and agricultural loans declined by about \$14,000,000.

FOREIGN TRADE

In a recent report of the Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce, United States export and import figures of the first six months of 1939, and corrected to July 31, are published.

EXPORTS

Total United States exports, including re-exports, for the six months ending June 30 amounted to \$1,415,427,000 as compared with \$1,590,788,000 for the corresponding period of 1938, a decline of 11 per cent. Of this total, \$201,768,000 represents exports to Canada as compared with \$241,248,000 in the like period of 1938.

United States exports to Great Britain were larger than those to Canada, the total to the United Kingdom being \$229,733,000 as compared with \$254,437,000 in the first six months of 1938. In the same period exports to Germany totalled \$34,624,000 as against \$50,018,000 in the similar period of the previous year, while exports to Japan were \$111,037,000 as compared with \$125,115,000 in 1938.

The above figures indicate that each of the four countries mentioned imported proportionately less United States merchandise in the first six months of 1939 than in the corresponding period of 1938.

IMPORTS

Total United States imports for the period ending June, 1939, were \$1,094,563,000 as compared with \$960,955,000 for the period ending June, 1938, an increase of 4 per cent. A corresponding increase in imports from Canada is shown for the six months' period of 1939, the total being \$148,802,000 as compared with \$116,484,000 in 1938. Canada was the chief shipper of products to the United States for this period, the next country in order of value being the United Kingdom with shipments valued at \$72,731,000 as compared with \$51,447,000 in the corresponding period of 1938.

In the period under review imports from Germany amounted to \$35,461,000 as against \$28,252,000 in the corresponding period of 1938, while imports from Japan totalled \$61,487,000 in 1939 as compared with \$58,472,000 in 1938.

The excess of exports over imports or the favourable balance of trade for the six months of 1939 was \$320,864,000 as compared with \$629,833,000 in the corresponding period of 1938, a decrease of 48 per cent.

BANK CLEARINGS

The exchange of cheques at the principal clearing houses of the United States during the first half of 1939 totalled \$149,288,846,305, a gain of 5.3 per cent over the total of \$141,671,741,947 for the like period of 1938.

Clearings in New York city for the 1939 period aggregated \$83,769,847,019 as compared with \$80,241,393,465 in 1938, an increase of 4.3 per cent. Cheque clearings for the country outside of New York city increased 6.6 per cent from \$61,430,348,482 in the January-June period of 1938 to \$65,518,999,286 in the corresponding period of 1939.

RAILWAY SITUATION AND CAR LOADINGS

Railway passenger and freight revenues, reflecting the higher level of business activity this year, have shown gains every month over those of last year. Gross revenues of all Class I railroads for the half-year, with June partly estimated, increased from approximately \$1,636,000,000 in the first half of 1938 to \$1,797,000,000 or by 10 per cent. Net railway operating income rose from \$70,000,000 to \$181,000,000, and the net deficit was reduced from \$181,000,000 to \$88,000,000.

The Association of American Railroads reports that total railroad car loadings for the first 26 weeks of 1939 amounted to 15,343,122 cars as against 14,230,632 cars for the like period of 1938, an increase of 7.8 per cent.

The following table shows in detail the car loadings for the first half of 1939 as compared with the first half of 1938:—

	1939 Cars	1938 Cars	Inc. or Dec. Per Cent
Total	15,343,122	14,230,632	+ 7.8
Miscellaneous	6,254,221	5,612,960	+ 11.4
Merchandise, l.c.l.	3,879,980	3,821,030	+ 1.5
Grains	867,330	885,187	— 2.0
Coal	2,671,844	2,500,234	+ 6.8
Forest Products	718,501	674,759	+ 6.2
Ore	488,676	301,352	+ 62.1
Coke	165,273	125,844	+ 23.9
Live Stock	297,297	309,266	— 3.8

OUTLOOK

The business outlook in the United States for the latter half of 1939 is so clouded by unsettled European conditions that it is impossible to forecast with any certainty future trends.

There is reason to believe that, provided war can be averted, trade will continue its present favourable trend; but the enormous space devoted in the daily press and financial papers to reports from Europe is a clear indication of the anxiety which is felt throughout the United States as to the future.

CROP CONDITIONS IN ENGLAND AND WALES

H. A. SCOTT, ACTING CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, August 17, 1939.—The first forecast of the probable results of the main crops in England and Wales is contained in the Ministry of Agriculture's official report on agricultural conditions as at August 1, which has just been published.

This records that, except for a period in the second week, the weather during July has been generally dull and cloudy with rain in most parts of the country. Everywhere sunshine was below the average for July; and, generally speaking, seasonal temperatures were barely maintained, while thunderstorms were frequent over all parts of the country.

CEREAL CROPS

Cereal crops made progress during July but drier and warmer conditions are now urgently needed. In most districts some crops have been laid by rain.

Wheat is mostly of promising appearance, although some spring-sown areas are thin in places. The yield is at present forecast at about 18 cwts. per acre, which is about $2\frac{1}{4}$ cwts. below the yield in 1938, but approximates to the average yield of the ten years 1929-38. The areas sown to wheat showed a decline of 8 per cent to 1,681,000 acres and a decrease in production of 350,000 tons is indicated.

Barley improved during July and the quality of the grain will depend on weather conditions up to and during harvest. The area under this crop (910,000 acres) has increased by 3 per cent over that of 1938. The yield is forecast at $16\frac{1}{4}$ cwts. per acre, which is about the same as the 10-year average, but $2\frac{1}{4}$ cwts. less than the yield in 1938. On this basis production would amount to 742,000 tons, a decrease of 60,000 tons from last year's exceptional crop.

The harvesting of oats has already commenced in some districts. Reports are still variable, but indications are that spring-sown crops are rather better than winter-sown. The acreage under oats is 4 per cent greater than last year. The production is expected to be about $15\frac{1}{2}$ cwt. per acre or 1 cwt. less than the yield last year and slightly less than the average of the previous ten years. The crop is therefore expected to reach 1,058,000 tons or 11,000 tons less than in 1938.

The forecasts are summarized in the following table:—

	1939	1938	Forecast	Production
	Acres	Acres	1939	in 1938
			Tons	Tons
Wheat	1,681,000	1,830,000	1,504,000	1,855,000
Barley	910,000	885,000	742,000	803,000
Oats	1,357,000	1,301,000	1,058,000	1,069,000

It must be borne in mind that these forecasts are not based on such detailed inquiries as are carried out in connection with the final estimates of yield issued after the completion of harvesting. Moreover, the actual yield may be appreciably affected by weather conditions during August.

BEANS AND PEAS

It is anticipated that beans will yield slightly more than 16 cwt. per acre, which is $\frac{1}{4}$ cwt. below the 10-year average. The forecast of $13\frac{1}{2}$ cwt. per acre for peas is fully 1 cwt. below the average for the last ten years.

POTATOES

The position of potatoes appears to be fairly satisfactory. The quantity of earlies harvested has increased as lifting progressed and is now up to average. The main crop is in general promising and good yields may be expected, but blight is reported from some districts where spraying has been resorted to.

ROOTS

Turnips and swedes are generally promising and normal conditions should ensure an average crop. In most districts weed control has been difficult. Mangolds are mostly making satisfactory growth and should also result in an average crop. Sunshine, however, is badly needed. Sugar beet promises to be a good crop, but weeds are prevalent and more sunshine is wanted. The yield is expected to be about average.

HOPS

The bine continues to grow well and is generally clean and healthy. Insect pests are persistent in most districts, but have been kept under control.

HAY

The hay harvest has been seriously delayed and considerable areas remain to be cut. A large proportion of meadow hay is badly damaged. The yield per acre of seeds hay is forecast at about $25\frac{1}{4}$ cwt. as compared with last year's figure of $21\frac{1}{2}$ cwt. and the average of 26 cwt. for the ten years 1929-38. Meadow hay is expected to yield $18\frac{1}{2}$ cwt. per acre as compared with 15 cwt. last year and a 10-year average of $19\frac{1}{4}$ cwt. Total production of seeds and meadow hay is at present estimated at about 5,563,000 tons, which is 1,151,000 tons more than in 1938 but 833,000 tons less than the 10-year average.

BUSINESS CONDITIONS IN NEW ZEALAND

W. F. BULL, CANADIAN TRADE COMMISSIONER

Auckland, July 17, 1939.—The principal indices of economic conditions in New Zealand, so far as they relate to internal trade, continue to be fairly satisfactory.

Early statistics covering the aggregate salaries and wages in the fiscal year 1938-39 indicate a substantial increase of 11 per cent over the previous year in the earnings of New Zealand workmen. The average weekly value of bank debits placed to customers' accounts during May was £19,783,916, the highest May figure yet recorded. The active bank note circulation continues to operate at a high level, the average for May being £11,698,558. This figure is slightly lower than the record established in the previous month, but is 18·8 per cent above the figure for May, 1938.

Railway traffic, both freight and passenger, has continued at a high level. Net operating revenues for the month ended March 4 reached an all-time high record.

BUILDING

The building trades have been very busy and permits issued in the larger centres for the month of May were valued at £897,501, a substantial increase over April, 1939, and May of last year. These permits covered 642 new dwellings, a figure exceeded only on two previous occasions, in March, 1926, and in January, 1939. The Housing Construction Branch of the State Advances Corporation during May commenced the erection of 305 houses, which are included in the total listed above. The value of building operations for the year ended March 31, 1939, reached an all-time record total of £12,126,458, an increase of 18 per cent over the previous year. Private dwelling houses numbered 8,093 units against 6,043 in the previous year. Of these totals, the state built 3,445 houses in 1938-39 and 1,890 houses in 1937-38.

GOVERNMENT REVENUE

Government revenues are running well ahead of last year and for the fiscal year produced a consolidated fund surplus of approximately £3,200,000 as compared with an estimated budget surplus of only £232,000. Sales tax receipts for the first five months of 1939 amounted to £1,520,122 as compared with £1,391,181 for the corresponding period of 1938.

There were 307,931 motor vehicles licensed on March 31, 1939, as against 280,327 on the same date last year. Radio licences increased from 286,681 on May 31, 1938, to 316,318 on May 31, 1939.

EMPLOYMENT

According to the latest statistical report, there were only 726 registered unemployed males on March 11, 1939. In addition to this figure, there were 7,256 men on sustenance and classed totally unfit for employment due to health or other reasons, and 23,245 men on public works programs as follows: roads, 12,711; hydro-electric works, 1,167; aerodromes, railway construction, and other works, 9,190. An effort has been made to reduce the number of men on full-time subsidized employment. Although a fair number have been absorbed in new industries, it is estimated that there are still 20,000 men doing work for the municipalities and receiving wages from the Employment Fund. In March, 1936, when the last complete census of unemployment was taken, the figures showed 35,846 unemployed males as compared with 10,694 in 1931, when the next preceding census was taken.

From the foregoing figures it would appear that business conditions in New Zealand are generally prosperous and prospects for the future very bright. However, this prosperity is largely based on the generous spending policy which has been in effect for the past three years, and the business community anticipates a sharp reduction in buying in the near future.

COMMODITY EXPORTS AND OVERSEAS BALANCES

Commodity exports for the fiscal year showed a decrease of £7,140,667 as compared with 1937-38, and imports a decrease of only £3,656,112. The excess of exports over imports amounted to £3,458,832 as compared with £6,943,387 in 1937-38 and £12,613,407 in 1936-37. The decline in export value is due to a decrease in production, particularly in the dairy industry, and to a decline in prices of several of the leading export commodities. Wool prices, as based on declared export values for the nine months ended March 31, 1939, showed a decline of approximately 10 per cent as compared with the corresponding period of 1937-38. The farm production season has not been particularly favourable. Cold conditions during the spring and early summer retarded growth, with serious effect on the milk yield, while in February, March, April, and May semi-drought conditions prevailed.

In both 1937-38 and 1938-39 the excess of exports over imports was not sufficient to meet debt services and London balances were reduced accordingly. Under normal conditions there would have been a reduced demand for imported goods as a result of the lower yield on exports, but this lower export yield was more than compensated for by credit inflation within New Zealand. Between May and December, 1938, the Reserve Bank's "other advances" rose from nil to 11·2 million pounds, while the Reserve Bank's sterling balances fell by an almost identical amount from 18·3 million to 4·7 million pounds. At the same time investors began sending funds abroad. There is no definite record of this flight of capital, but it is estimated that between 10 and 15 million pounds left New Zealand in 1938.

The net overseas assets of all New Zealand banks amounted to £36,089,000 in December, 1935. By December, 1936, this figure had fallen to £28,081,000, and by December, 1937, to £23,655,000. (These totals include the overseas assets of the trading banks held in London and elsewhere, plus the Reserve Bank's holdings of sterling exchange, less the overseas liabilities of the trading banks and the Reserve Bank.) During the latter part of 1938 overseas balances were being reduced at the rate of £1,000,000 per week, and by December had reached the low total of £6,807,000. On January 1, 1940, a loan of £17,123,000 comes due in London and something had to be done to stop the flight of capital and restore London balances to the position where New Zealand could meet overseas debt payments and repay or refund this loan. The Government chose to correct the situation by a rigid system of import, export, and exchange control.

IMPORT, EXPORT, AND EXCHANGE CONTROL

By an Order in Council gazetted on December 5, 1938, the Government suspended the Reserve Bank's obligation to exchange New Zealand currency at its quoted rates and imposed a system of complete control over external trade and exchange funds held overseas by the banks. Exports from New Zealand are permitted only under licence and the conditions of the licence are that the proceeds from exports shall be paid into a New Zealand trading bank and transferred by the trading bank to the credit of the Reserve Bank. Every importer desiring to import from abroad must apply for permission and must give on his application form the description of the goods, country of origin, and the value, together with details of importation of similar goods during 1938.

METHOD OF IMPORT REGULATION

The year is divided into two periods of six months each, and 1939 quotas for individual importers are based on the amount of business done in specific commodities during corresponding periods of 1938. If an importer did not handle a given line in the first half of 1938, under ordinary circumstances he would not receive a licence to import this line during the corresponding period of 1939. Certain exceptions were made, however: for example, where importers could show purchases in the second half of the year but none in the first half, a permit for the first half might be issued based on 50 per cent of total imports in 1938. Other exceptions are being made in the case of manufacturers requiring raw materials from overseas.

When the measures were first introduced it was hoped that overseas balances would increase to the point where a relaxation of the restrictions would be possible for the second half of the year. However, as all goods on order prior to the gazetting of the regulations were admitted in full (though deducted from any future licences that might be issued), the anticipated savings did not materialize and at the end of March the foreign exchange holdings of the Reserve Bank stood at only £4,659,874 as compared with £4,828,302 at the end of November, 1938. These figures compare with £16,634,790 at the end of November, 1937. Consequently the restrictions for the second six months of the year were made even more stringent than for the first six months. Over 200 items and sub-items in the New Zealand tariff were prohibited entirely and, almost without exception, licensed imports were cut more drastically than in the first half.

In addition to reducing imports, the control regulations aim to direct the trade into definite channels. As the United Kingdom is the principal buyer of New Zealand exports, products from the United Kingdom in many instances are given more favourable treatment than similar goods from other Empire or foreign sources. Similarly, other Empire countries are generally treated more favourably than foreign.

EXCEPTIONS TO REGULATIONS

Although the regulations are strictly interpreted, there are certain conditions under which permits may be granted, even when all the requirements are not fulfilled. Where manufacturers can show that they require raw materials to fulfil orders, permits are generally granted, irrespective of previous importations. The Government at one time also stated a willingness to consider applications in cases where the goods concerned did not compete with local manufacturers, and where the importer was in a position to provide his own foreign currency. Permits have also been issued for certain goods up to the value of similar imports in 1938 where the overseas manufacturer has agreed to leave the proceeds from the sale of such goods within New Zealand for a period of two years or longer. These two concessions led to an active demand for foreign currency and the development of a substantial "black market." Large sums of money which would have come to New Zealand under ordinary circumstances through the established channels, increasing the overseas balances of the banks, have been diverted to importers and speculators. As a result of this development it has become much more difficult to obtain licences under the deferred payment or private payment arrangements.

DOMESTIC INDUSTRY

To fill the gap caused by the sudden curtailment of imports, the Government has encouraged the erection of new factories within the country and the expansion of existing plans. Although hopes are expressed that the import

control measures will be only temporary, ministerial assurances have been given manufacturers that protection will be permanent. Local manufacturers are extremely busy, but it does not appear that new industries nor existing plants will be able to replace completely the prohibited imports. There is a definite shortage of skilled labour. Due to this condition and the forty-hour week, manufacturers cannot greatly increase their production.

CONTROL OF PRICES

As a result of reduced imports, stocks are getting low and there has been a tendency to increase prices in an effort to bring the demand more in line with the supply. In an effort to keep prices in hand, regulations known as the Board of Trade (Price-Investigation) Regulations, 1939, were gazetted on June 2, 1939. These regulations provide that prices for a specified list of goods and services may not be increased without prior notice being given to the Price Investigation Tribunal, along with complete information on the new price levels and the reasons for any increase. The schedule of goods and services covered by these regulations is extensive. It includes such items as the following:—

Any article of food for human consumption, and ingredients used in the manufacture of any such article; aerated waters, mineral waters, and beverages; bags and sacks of all kinds; baking powder, yeast, and similar preparations; bran and pollard; brushes, brushware and brooms; candles; chinaware, earthenware, and porcelainware; cream of tartar; disinfectants; drapery and haberdashery; electric lamps; essences, culinary or flavouring; floor-coverings; footwear; fuel; furniture; glass bottles and glass jars; hardware, hollowware and ironmongery; insecticides and fungicides; matches; medicinal drugs and preparations; newspapers; paints, colours, varnishes, and similar materials; photographic cameras and photographic goods; polishes of all kinds; rennet; rugs; soap of all kinds, soap-powder, and extract of soap; sporting, gaming, and athletic requisites; starch; stationery and paper; textile piece-goods; timber; tinware and tin manufactures; tobacco (including cigars and cigarettes); toilet preparations and perfumery; tools of all kinds; wearing apparel of all kinds; wines, spirits, and all other alcoholic beverages.

In addition to the foregoing goods, the schedule includes these services:—

Admission to entertainments, advertising, bricklaying, dressmaking, dry-cleaning, electric wiring, electroplating, freight and transport, laundering, painting, paperhanging, plumbing, printing, repair work of all descriptions, tailoring, and vulcanizing.

WORKING OF CONTROL

Although the import, export, and exchange control regulations have been in force for more than six months, the results have been disappointing. The saving on imports of finished goods has been largely counteracted by the increased importation of raw materials and plant. There has been no export of capital, but moneys which would ordinarily go to increase the overseas balances have been directed to other channels. Exports of dairy products have declined by approximately 10 per cent as a result of lower production. As a result of the above factors, overseas funds have not increased as expected. On May 29 the net overseas funds (on account of New Zealand business) of banks operating in this country amounted to £7,394,139, which is less than a million pounds above the low figure of December, 1938. The heaviest export movement of the year has been completed and for the next few months imports will exceed exports.

In an effort to conserve the limited amount of overseas funds available and to ensure adequate supplies of raw and essential materials, regulations governing foreign remittances have been recently tightened. In the early stages of exchange control money orders were limited to amounts under £10. As this did not prove effective the limit was further reduced to £5. Since there was still no restriction on the number of money orders which could be sent, capital continued to leave New Zealand by this means. Strict control has now been placed on money orders, and the Reserve Bank has to approve of all money orders for

more than £1. Travellers were at one time given adequate supplies of foreign currency. However, the quantity granted has been steadily reduced, and most travellers now find it difficult to get any reasonable quantity of foreign exchange.

Licences have been issued in excess of the amount of overseas funds available at the present time, and it will be very difficult to supply exchange to cover all these licences unless the overseas balances are built up by exports or by borrowing. It is expected that a loan will be raised in London to cover the purchase by the New Zealand Government of materials for defence and for the Public Works and other Government departments. This loan will relieve the situation and release to the trading banks funds now held by the Reserve Bank for these Government purchases.

The policy of the individual trading banks is largely governed by the amount of exchange held by each bank. So far as we have been able to learn, there has been no delay to-date in remitting funds to Canada to cover the cost of licensed goods. The banks will not set up time credits, but some of the banks are cabling credits against shipping documents in Canada. Other banks can only supply their customers with funds after the arrival of the goods in New Zealand. There has been some delay in remitting funds to Australia, and exporters of steel products in particular are holding up shipments to New Zealand as their customers have been unable to set up credits in Australia.

The exchange condition will be difficult over the next six months, and it is possible that there may be some delay during this period in remitting funds to cover the cost of Canadian exports. The productive capacity of New Zealand has not been impaired in any way, and with strict control over imports and all exchange transfers overseas balances should begin to increase towards the end of this year. At one time it was considered that the regulations would be in force for a short time only and that they would be relaxed as soon as the exchange position was corrected. This was an optimistic view. It is now generally believed that they will remain in force for several years at least. So far as the restrictions apply to goods of a class or kind made in New Zealand, the Prime Minister has promised the local manufacturers that they will always be adequately protected.

TRADE COMMISSIONERS ON TOUR

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, Norway (whose territory includes Sweden, Denmark, and Finland), and Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, Argentina (whose territory includes Uruguay), are making a tour of the principal centres in the Dominion in the interests of Canadian trade with their respective territories. Their itineraries are as follows:—

Mr. Grew

Halifax	Sept. 4 and 5	Vancouver, New West-	
Kentville	Sept. 6	minster and Victoria . .	Sept. 19 to 30
Saint John	Sept. 7	Vernon	Oct. 2
Fredericton	Sept. 8	Kelowna	Oct. 3
Quebec	Sept. 11	Winnipeg	Oct. 6 to 9
Ottawa	Sept. 13 and 14		

Mr. Strong

Quebec	Sept. 5	Ottawa	Sept. 6
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Firms wishing to be brought in touch with the Trade Commissioners should communicate: for Vancouver, Victoria and Winnipeg with the office of the Canadian Manufacturers Association; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

TRADE OF JAMAICA IN 1938

F. W. FRASER, CANADIAN TRADE COMMISSIONER

II. Principal Imports from Canada

Kingston, July 22, 1939.—In the following sections details are given of Jamaica's principal imports of foodstuffs and raw materials from Canada during 1938. With a few exceptions the items listed are only those of actual or relative importance. There have been excluded those goods that Canada does not supply or that Canada shipped in relatively insignificant quantities in the period reviewed.

CLASS I—FOOD, DRINK, AND TOBACCO

The aggregate value of the imports from Canada under the 44 sub-heads of this category, listed below, is £506,081, or 99·6 per cent of the £507,990 worth of such goods purchased by Jamaica from the Dominion in the year under review. Items not listed, for the reason given in the preceding paragraph, are pickled beef, beer, brandy, butter, cigarettes, prepared cocoa, dried fruit, gin, lard, nuts, whole and split peas, rice, salt, spices, spirituous compounds, wine, tea, yeast and yeast-cakes.

Biscuits, Unsweetened.—Total, 22,450 pounds (£1,433): United Kingdom, 9,090 pounds (£724); United States, 6,426 pounds (£324); Canada, 6,172 pounds (£324); small remainder from Ireland. Unsweetened biscuits are made in Jamaica and by reason of heavy tariff protection the local industry supplies most of the demand. The imports consisted of special types, in which a small luxury trade is done. Imports of sweetened biscuits, mostly English and American, were about three times as large.

Cheese.—Total, 568,068 pounds (£20,961): Canada, 457,332 pounds (£17,036); United States, 42,219 pounds (£1,348); New Zealand, 38,616 pounds (£1,125); United Kingdom, 13,399 pounds (£714); Holland, 11,676 pounds (£399).

Confectionery.—Total, 920,843 pounds (£29,528): United States, 572,102 pounds (£14,390); United Kingdom, 287,875 pounds (£13,089); Canada, 44,201 pounds (£1,616); Belgium, 6,553 pounds (£114).

Eggs.—Total, 28,526 dozens (£1,196): United States, 11,205 dozens (£784); Canada, 4,230 dozens (£287); Haiti, 1,008 dozens (£34); Serrana Cays, 12,083 dozens (£91). Imports from the last-named place were sea-birds' eggs; other imports were fowls' eggs. Plans are under way to organize and expand the rudimentary local poultry industry. This may in time curtail imports of fowls' eggs.

Feedstuffs for Animals and Poultry: (a) Bran and Middlings.—Total, 289,193 pounds (£1,089): Canada, 229,560 pounds (£880); Australia, 22,400 pounds (£79); United States, 31,800 pounds (£102); United Kingdom, 5,433 pounds (£28).

(b) Other Kinds.—Total, 995,718 pounds (£5,402): United States, 739,809 pounds (£3,502); Canada, 204,897 pounds (£1,084); United Kingdom, 29,264 pounds (£726); Haiti, 19,845 pounds (£69). Mixed feed for poultry was a considerable item under this head. The demand for feedstuffs may be expected to increase in consequence of the efforts being made to improve animal husbandry in Jamaica.

Fish: (a) Alewives, Pickled.—Total, 2,088,000 pounds (£12,320): Canada, 2,078,800 pounds (£12,275); Newfoundland, 9,200 pounds (£45).

(b) Canned.—Total, 1,608,697 pounds (£34,879): United States, 1,026,225 pounds (£19,607); Canada, 454,511 pounds (£11,546); United Kingdom, 86,538 pounds (£2,323); Norway, 17,211 pounds (£532); France, 5,464 pounds (£248); Japan, 4,981 pounds (£88); China, 4,532 pounds (£123).

(c) Dried Salted (Mainly Cod).—Total, 18,238,721 pounds (£212,180): Newfoundland, 15,799,887 pounds (£184,173); Canada, 2,395,871 pounds (£25,903); United States, 27,914 pounds (£1,076); Hongkong, 8,564 pounds (£784); small remainder from United Kingdom, China and Syria. The 1937 total was 15,314,466 pounds (£189,364), of which Newfoundland supplied about four-fifths.

(d) Fresh.—Total, 22,048 pounds (£519): United States, 13,538 pounds (£276); United Kingdom, 4,953 pounds (£112); Canada, 3,528 pounds (£128). The trade in fresh fish is a small luxury trade.

(e) Herring, Pickled.—Total, 381,450 pounds (£2,411): Canada, 367,650 pounds (£2,332); Newfoundland, 13,800 pounds (£79).

(f) *Herring, Smoked*.—Total, 109,203 pounds (£1,079): Norway, 68,320 pounds (£539); Canada, 12,850 pounds (£125); United Kingdom, 9,728 pounds (£269); United States, 9,315 pounds (£77); Holland, 4,490 pounds (£33); Sweden, 4,500 pounds (£36).

(g) *Mackerel, Pickled*.—Total, 7,060,050 pounds (£50,848): Canada, 6,978,450 pounds (£50,303); Newfoundland, 81,000 pounds (£541); small remainder from the United Kingdom.

(h) *Salmon, Pickled*.—Total, 65,340 pounds (£1,382): Newfoundland, 46,500 pounds (£986); Canada, 18,840 pounds (£396).

Besides the above, 265 pounds of smoked salmon (£12) and 1,900 pounds of pickled trout (£23) are shown as having been imported. All of this was from Canada except for 10 pounds of smoked salmon of unstated value, shipped from the United States.

Fruit, Fresh (a) *Apples*.—Total, 244,619 pounds (£3,158): United States, 120,279 pounds (£1,463); New Zealand, 80,000 pounds (£1,104); Canada, 44,230 pounds (£588). The New Zealand business is of fairly recent development, and may be considered a corollary of Jamaica's export trade in oranges with that Dominion.

(b) *Other Kinds*.—Total, 101,535 pounds (£2,119): United States, 101,280 pounds (£2,055); Canada, 255 pounds (£64). Melons, peaches, pears, plums, and other northern fruit were the chief items of this small luxury trade, most of which is done in Kingston and the suburbs.

Grain: (a) *Cornmeal*.—Total, 70,660 pounds (£58,653): Canada, 45,448 pounds (£37,916); United States, 23,159 pounds (£19,004); United Kingdom, 2,053 pounds (£1,733). A state-owned cornmeal factory will shortly be built, to serve the local market.

(b) *Flour*.—Total, 413,631 bags of 196 pounds (£451,957): Canada, 228,750 bags (£262,726); Australia, 112,422 bags (£111,011); United Kingdom, 41,173 bags (£38,761); United States, 31,286 bags (£39,458). This was the most valuable single item of Jamaica's import trade during the year under review. The 1937 total was 367,091 bags (£398,379), of which Canada shipped 211,335 bags (£243,641); the United States, 7,600 bags (£9,618); and Australia and the United Kingdom the remainder. Australian and United Kingdom competition has developed in recent years.

(c) *Oats*.—Total, 1,360,298 pounds (£5,784): Canada, 826,777 pounds (£3,319); Chile, 526,747 pounds (£2,448); small remainder from the United States and the United Kingdom.

(d) *Oatmeal*.—Total, 301 bags of 196 pounds (£951): Canada, 171 bags (£297); United Kingdom, 130 bags (£654).

(e) *Wheat*.—Total, 666,013 pounds (£3,708): Canada, 662,405 pounds (£3,667); small remainder from the United States, Syria, and Spain.

(f) *Unspecified Farinaceous Preparations*.—Total, 1,425,632 pounds (£17,794): United States, 1,081,478 pounds (£12,464); Canada, 257,250 pounds (£4,055); Holland, 39,860 pounds (£274); United Kingdom, 19,070 pounds (£798); Straits Settlements, 18,532 pounds (£133). The main items were macaroni, vermicelli, tapioca, and other cereal foods such as corn and wheat flakes, puffed rice, cream of wheat, etc.

Jams, Jellies, and Preserved Fruit.—Total, 593,810 pounds (£13,697): United States, 308,462 pounds (£6,989); United Kingdom, 222,341 pounds (£4,978); Canada, 34,310 pounds (£1,094); Hongkong, 9,163 pounds (£131); China, 5,566 pounds (£123); France, 2,263 pounds (£127). Imports from the United Kingdom were largely jams; those from Canada mainly canned apricots, cherries, peaches, pears, and mixed fruit, of which some well-known brands have entered the market in recent years.

Malt.—Total, 573,440 pounds (£6,062): Hungary, 330,920 pounds (£3,500); Canada, 240,240 pounds (£2,527); small remainder from Ireland and Germany.

Meat: (a) *Canned*.—Total, 480,048 pounds (£15,216): Argentina, 315,152 pounds (£8,296); United States, 55,165 pounds (£3,571); Brazil, 49,287 pounds (£962); United Kingdom, 21,056 pounds (£951); Uruguay, 19,795 pounds (£536); Canada, 11,262 pounds (£528); Paraguay, 3,600 pounds (£78).

(b) *Fresh*.—Total, 115,916 pounds (£5,589): Canada, 41,816 pounds (£2,361); Australia, 21,158 pounds (£591); United Kingdom, 19,698 pounds (£703); New Zealand, 18,802 pounds (£847); United States, 6,059 pounds (£743); Argentina, 6,131 pounds (£246). The chief items of this select trade, which appears to be slowly growing, were beef, mutton, lamb, chickens, and ducks.

(c) *Bacon*.—Total, 231,901 pounds (£7,977): United Kingdom, 171,234 pounds (£4,975); Canada, 37,080 pounds (£2,054); Argentina, 15,482 pounds (£599); small remainder from a number of countries, chiefly Poland, the United States, and Lithuania.

(d) *Ham*.—Total, 420,398 pounds (£22,063): Argentina, 126,745 pounds (£5,678); United States, 85,057 pounds (£4,818); United Kingdom, 76,873 pounds (£5,138); Denmark, 69,923 pounds (£3,129); Holland, 35,210 pounds (£2,016); Canada, 17,154 pounds (£866).

(e) *Pickled Pork*.—Total, 814,618 pounds (£17,725): United States, 465,400 pounds (£9,836); Canada, 324,813 pounds (£7,228); Argentina, 23,500 pounds (£637).

(f) *Sausages, Wet, Salted*.—Total, 25,736 pounds (£1,212): Canada, 12,660 pounds (£548); Denmark, 7,145 pounds (£326); United Kingdom, 2,338 pounds (£135); China, 1,680 pounds (£88).

(g) *Tongue, Dry and Wet Salted*.—Total, 20,488 pounds (£652): Canada, 20,375 pounds (£645); United States, 113 pounds (£7).

Milk: (a) Condensed Unskimmed.—Total, 9,899,759 pounds (£143,891): Holland, 6,471,870 pounds (£87,107); Canada, 1,934,988 pounds (£33,114); United Kingdom, 1,087,938 pounds (£17,917); Ireland, 221,340 pounds (£3,001); Denmark, 160,936 pounds (£2,457); New Zealand, 22,525 pounds (£294). The 1937 total was 8,984,270 pounds (£119,258), of which Holland supplied about 45 per cent and Canada 15 per cent. A well-known condensed milk firm is building a factory in Jamaica under government licence. Under certain conditions this enterprise has been given a monopoly of the local market. Imports of preserved milk are meantime regulated by quota and will ultimately be barred. The factory is expected to begin operations some time next year.

(b) *Powdered*.—Total, 117,780 pounds (£2,482): United States, 73,404 pounds (£1,280); New Zealand, 19,752 pounds (£306); Canada, 11,040 pounds (£528); United Kingdom, 6,890 pounds (£345).

Provisions, Unenumerated.—Total, £45,135: United States, £18,411; United Kingdom, £18,237; Canada, £5,077; China, £987. This heading includes a wide range of foodstuffs not elsewhere classified, e.g., grape juice and ovaltine.

Sauces.—Total, £1,918: United Kingdom, £1,046; Canada, £419; Hongkong, £193; United States, £154. Sauce is made locally and receives considerable tariff protection.

Tobacco: (a) Leaf.—Total, 771,568 pounds (£48,465): Southern Rhodesia, 367,195 pounds (£21,120); United States, 289,849 pounds (£22,028); Canada, 99,284 pounds (£4,645). These imports were for the use of the local cigarette manufacturing industry and do not include cigar wrappers. Local production of leaf tobacco has been encouraged and assisted for some time past by the Government with satisfactory results. So far, the leaf has been exported, but experiments are being continued with the object of producing leaf suitable for making cigarettes and also for cigar wrappers.

(b) *Manufactured, Unspecified*.—Total, 13,342 pounds (£2,503): United States, 6,891 pounds (£1,190); Canada, 3,725 pounds (£520); United Kingdom, 2,623 pounds (£788). This heading comprises pipe tobacco, but not cigars or cigarettes. There is a fair local output of crude pipe tobacco in rope-like form.

Vegetables, Fresh: (a) Onions and Garlic.—Total, 1,915,208 pounds (£9,471): United States, 1,010,080 pounds (£5,608); Egypt, 666,150 pounds (£2,620); Cyprus, 100,770 pounds (£473); Canada, 84,950 pounds (£416); Holland, 25,820 pounds (£160); Mexico, 12,978 pounds (£99); New Zealand, 10,000 pounds (£47).

(b) *Potatoes*.—Total, 1,201,830 pounds (£4,528): Canada, 1,167,416 pounds (£4,396); United Kingdom, 24,814 pounds (£87); United States, 9,600 pounds (£45).

The local potato-growing industry, which has received substantial tariff protection since December, 1927, has notably developed during the last three years or so, and production practically all the year round, formerly thought impossible (so that imports from Canada were made during the Jamaican off-season) is said to be in prospect. It seems likely, therefore, that the import trade will decline, being replaced to some extent by imports of seed potatoes, which cannot be satisfactorily grown in the colony. (See note on "Plants, Seeds, and Bulbs" in Class II, following.)

(c) *Other Kinds*.—Total, 35,387 pounds (£1,145): United States, 31,251 pounds (£1,110); United Kingdom, 3,450 pounds (£22); Canada, 644 pounds (£6); France, 42 pounds (£7). This is a small luxury trade, of which asparagus, cabbage, and celery are the chief items. It may decline to some extent in the future, as and when the production of vegetables for the local market is modernized with the aid of the Jamaica Government's Department of Science and Agriculture and other official agencies.

Vegetables, Dried, Canned, and Preserved.—Total, 60,750 pounds (£1,215): Canada, 41,061 pounds (£657); United States, 13,312 pounds (£383); United Kingdom, 4,452 pounds (£103); Belgium, 1,676 pounds (£58). In recent years Canada has gained ground in this small luxury trade, of which asparagus, corn, peas, and tomatoes are the main items.

Whisky.—Total, 24,831 gallons (£29,625): United Kingdom, 23,057 gallons (£27,793); Canada, 1,520 gallons (£1,550); United States, 214 gallons (£234); Ireland, 40 gallons (£48). As from June 28, 1938, the Jamaican import duties on whisky were raised by one-third. The Jamaican demand is mainly for Scotch brands.

CLASS II—RAW MATERIALS

The six commodities listed below aggregate £35,594 in value, or 99.9 per cent of the total purchases of such goods from Canada in 1938, amounting to £35,631. Chief of the articles omitted because they were either not imported from Canada or imported in insignificant quantities, are coal, fibre, temper lime,

and rough and dressed pitch pine lumber. Coal is a large, and pitch pine a considerable, item of Jamaica's import trade.

Hay and Chaff.—Total, 205,994 pounds (£644), entirely from Canada. Imported hay is used, as a rule, only for feeding race-horses, and this trade can therefore be considered a luxury one. There is plenty of grass suitable for feeding ordinary stock in Jamaica.

Plants, Seeds, and Bulbs for Propagation.—Total, £5,997: Canada, £3,734; United Kingdom, £1,178; United States, £884; Holland, £87; France, £75. Seed potatoes were the largest item of this classification, which also comprises other plant seeds. Imports from Canada were entirely, and those from the United Kingdom very largely, seed potatoes, for which the demand has noticeably increased in recent years following the expansion of the local potato-growing industry. Total imports under this heading were £1,965 in 1935, £5,415 in 1936, and £3,572 in 1937.

Wood and Timber Unmanufactured: (a) Douglas Fir.—Imports of the rough kind totalled 1,637,812 feet (£12,829), supplied entirely by Canada; of the dressed, the total was 1,170,632 feet (£13,764), of which Canada shipped 1,170,030 feet (£13,741) and the United States the small remainder. The respective totals for 1937 were 129,906 feet (£1,198) and 95,389 feet (£1,451), Canada being the sole supplier. Intensive trade promotion work and better tariff preference, as already mentioned in the introductory section of this report, were responsible for the much larger purchases from Canada in 1938. The carrying out of housing improvement schemes by the local authorities and also by private interests has increased the demand for lumber.

(b) White Pine.—The total for rough was 77,761 feet (£942), and for dressed 43,475 feet (£577), supplied exclusively from Canada.

(c) Cedar Shingles.—Total, 1,203,660 in number (£3,039): Canada, 1,088,298 (£2,708); United States, 115,362 (£331). Both the Canadian and the American shingles were shipped from the Pacific coast. Imports of cypress shingles, entirely from the United States, totalled 141,000 in number (£744). A reverse situation prevailed not many years ago.

(d) Unspecified, Rough and Dressed.—The total for the rough kind was 83,217 feet (£1,444), of which Canada shipped 26,698 feet (£222); British Guiana, 24,792 feet (£537); and the United States, 19,944 feet (£437). Dressed totalled 27,909 feet (£527): Canada, 17,503 feet (£197); United States, 10,406 feet (£330). Some Western red cedar is included in these imports.

INDIA'S RUBBER INDUSTRY AND TRADE

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to 36 cents Canadian)

Calcutta, July 26, 1939.—India is one of the less important producers of rubber in the world. Particularly since the establishment of Burma as an independent country, figures of purely local production and export have been comparatively small. There is still scope for considerably increased output both of the raw product and of various manufactures. The report herewith reviews the present position of the industry and the Indian market for imported rubber manufactures.

CRUDE RUBBER PRODUCTION

Several varieties of rubber trees are native to India but, beyond cultivation of these types on a most limited scale and of a minute output of crude rubber, the industry cannot be said to have existed in India before the beginning of the present century. Over large areas of the Indian peninsula the climate is too variable to permit of the growth of commercial varieties of the rubber tree, but some areas along its southwest coastline enjoy the even temperatures and well-distributed rainfall required for successful growth. It is in these districts, notably Travancore, Cochin, Malabar, Coorg, and Salem, that the bulk of India's rubber is produced to-day.

Statistics of the acreage and production of rubber estates are inadequate to give more than an approximate idea of the present extent of the industry. Some five years ago the area of rubber estates was estimated at 120,000 acres and the output, composed almost entirely of *hevea* or para rubber, was com-

puted at 26,500,000 pounds. The latter figure applies only to dry rubber. Both estimates must be accepted as conservative and exclusive of the acreage and output of numerous small holdings. It is believed that during the intervening years both acreage and production have expanded considerably. The industry has been subject to export restrictions but the prospect of improved world demand and a growing home market have undoubtedly been responsible.

Although para rubber (*hevea brasiliensis*) has proved the most suitable type of rubber tree for Indian conditions, several estates have planted limited areas to *ceara* and *ficus elastica*. The former is comparatively common on estates in Mysore.

Data regarding the number of rubber plantations are comparatively out of date but to-day's figure may be roughly estimated at 6,000, most of which are of small size. The number of employees engaged on them is probably in the neighbourhood of 20,000.

RUBBER EXPORT TRADE

India's exports of raw rubber were only slightly over 1,000,000 pounds in 1913-14. The industry received a great impetus during the war and by 1918-19 the trade had expanded to five times its pre-war volume. After numerous fluctuations, notably a heavy decline in 1932-33, the business reached a maximum in 1935-36 when the total quantity exported amounted to 18,046,673 pounds. Shipments abroad were only slightly less than this record in 1937-38 and 1938-39, while the record value for the trade of Rs.8,383,032 was attained in the former year. The quantity and value of exports for the year ended March last were 17,218,212 pounds and Rs.7,157,805.

Practically all of India's exports of raw rubber are made from the port of Cochin in Madras province and the United Kingdom is the principal market. The United States and Germany are India's other principal customers for raw rubber. Fairly large quantities are sent to Ceylon every year for transshipment to various markets.

India's foreign trade in raw rubber is subject to restrictions imposed under international agreement. Export licences are issued by the Indian Rubber Licensing Committee, which also supervises planting and production. Basic quotas for 1937 and 1938 were 12,500 tons and 13,000 tons respectively.

PRODUCTION OF RUBBER MANUFACTURES

The manufacture of rubber goods in India is a comparatively new industry. Owing to the severity and extremes of the climate, rubber manufactures are more liable to deterioration in this country than in most others, and due to the low and simple standards of living of the bulk of the population such articles are in quite small demand. With the growth of manufacturing industries, however, the increasing use of motor vehicles, and widespread hospitalization, the market for many rubber products has shown great expansion. A comparatively high tariff has been an equally important influence on the development of various industries using rubber as one of their principal raw materials.

The most important as well as the most recent development in the production of rubber goods in India has been the establishment by the Dunlop Rubber Company of a tire factory near Calcutta. Several types of Goodyear tires are also understood to be manufactured in the same factory under a working agreement between these two concerns. The Firestone Tire and Rubber Company is at present engaged in the construction of a tire factory in Bombay. The Dunlop factory, while primarily concerned with the manufacture of tires and tubes, is expected eventually to extend its processes to include a considerable range of industrial, household, and surgical rubber products.

Other enterprises of considerably smaller capacity and more limited interest are operating in many of the larger cities in India. Their output is one of

wide variety, including numerous moulded articles, some stationery lines, toy balloons, motor car accessories, and various other items. This branch of the industry is still in its infancy, represents only small capital investment, and is lacking in organization.

EXPORTS OF RUBBER GOODS

It will be clear from the above reference to the manufacture of rubber goods in India that export trade in such products is limited. Prior to 1937-38 exports were valued at no more than a few thousand rupees a year but, with the commencement of tire manufacturing, the trade has recently shown marked expansion. During 1937-38 exports to Burma of rubber tires and small quantities of other rubber products were valued at Rs.166,969 and those to Ceylon at Rs.62,257, the total value for exports of all rubber manufactures being Rs.229,442. The trade showed a further improvement in 1938-39 when it reached a total of Rs.369,683. The trade to Burma is for the time being greatly facilitated by the free trade agreement now existing between the two countries, most other imports of rubber manufacture into that market being dutiable at 20 per cent ad valorem in the case of the United Kingdom and at 30 per cent in the case of all other countries. As long as the *status quo* with respect to tariff arrangements persists this business may be expected to prosper. The Ceylon market is less attractive, tires from all countries being on an equal tariff basis, but the advantage of low freight rates on shipments to Ceylon will undoubtedly contribute towards continued development in Indian exports to that territory.

INDIAN MARKET FOR RUBBER PRODUCTS

The trade in rubber manufactures into the Indian market, even despite the recent commencement of a rubber tire industry, is one of great extent and variety and can be expected to remain so for a considerable time. Government and private initiative directed towards increased industrialization throughout India can undoubtedly be counted as a check upon future demand for imported goods of this type, but it is unlikely that the increasing market will be fully supplied from domestic sources either as to quantity or variety for a long time.

The bulk of India's import trade in rubber manufactures is comprised of pneumatic tires and tubes for motor cars, commercial vehicles, motor cycles, and bicycles. Tire casings are the most important item in this group. Other rubber products which figure prominently in the trade are solid rubber tires, rubber footwear and shoe findings, and a variety of household, surgical, and similar goods. The total value of imports of rubber manufactures, exclusive of footwear, was Rs.21,124,642 in 1936-37, Rs.18,898,901 in 1937-38, and Rs.14,056,036 in 1938-39. The decline since 1936-37 is to be ascribed both to smaller imports of tires, consequent on the manufacture of these goods locally, the general contraction in Indian import trade during the two latest years, and the elimination from Indian trade statistics of imports into Burma.

The United Kingdom has been India's principal source of supply of casings and tubes for many years past. This has been due to no small extent to a preferential tariff of 20 per cent ad valorem available to United Kingdom products as compared with the standard rate of 30 per cent on imports from all other countries. Of the total value of such imports in 1938-39 of Rs.9,189,019 the United Kingdom is credited in Indian trade returns with Rs.6,682,041, Germany with Rs.1,139,663, the United States with Rs.368,362, and other countries, notably Japan, Canada, Czecho-Slovakia, France, and Belgium, with Rs.998,593. Imports of inner tubes during the same year were valued at Rs.803,095, of which the United Kingdom was again by far the largest supplier. Imports of motor cycle casings and tubes reached a total of Rs.16,557 in 1938-39 and in this trade as well the United Kingdom is predominant. The trade in bicycle tire

covers and tubes was valued at Rs.1,207,706. This business is shared for the most part between the United Kingdom and Germany, while a fairly large part of it is also in the hands of Japanese manufacturers. A further item of solid rubber tires showed import values of Rs.231,499 in the year ended March last, practically all having originated in the United Kingdom.

Imports of rubber footwear into India are segregated into those which are entirely of rubber and those with rubber soles and uppers of other materials. The former group is of comparatively small importance, their values having declined from Rs.300,000 in 1934-35 to Rs.32,490 in 1938-39. The leading suppliers are Japan and Czecho-Slovakia. The trade in rubber-soled footwear has also shown marked decline, from a total value of Rs.2,985,039 in 1934-35 to the unimpressive figure of Rs.310,240 in 1938-39. Japan and Czecho-Slovakia are India's principal suppliers of these goods as well. Declines in imports certainly indicated a decided increase in local manufacture, with which an improvement in imports of miscellaneous rubber manufactures, referred to below, is undoubtedly associated.

The third main group of imports of rubber manufactures covers all miscellaneous items. With no official listing of the products involved it can only be said that these comprise a wide variety of industrial goods, motor car accessories, household equipment, and hospital supplies. The value of the business has averaged over Rs.2,500,000 during the last five years and stood at Rs.2,748,334 during the twelve months ended March, 1939. India's principal sources of supply of these commodities are the United Kingdom, which is credited with from one-third to one-half of an average year's imports, Japan, Germany, and the United States. In addition to the business done by these three countries, there is a small import trade as well from Canada, the Straits Settlements, Austria, and Hungary.

TARIFF ON RUBBER PRODUCTS

The Indian customs tariff provides for the free entry of imports of raw rubber, while practically all imports of rubber manufactures are dutiable at 25 per cent *ad valorem*. For some years past the United Kingdom has enjoyed a preferential rate of duty of 20 per cent on tires, tubes, and miscellaneous rubber manufactures, while similar products imported from other countries have been liable to a 30 per cent rate. Consequent on the recently concluded United Kingdom-India trade agreement, however, the preferential rate applying to United Kingdom products has been abolished and all imports of these articles are now subject to the reduced standard rate of 25 per cent. In the case of boots and shoes the same rate applies, with the additional provision that a specific duty of 6 annas per pair may be charged on these goods, depending on which of the duties is the higher.

MARKET FOR CANADIAN RUBBER PRODUCTS

It was only a comparatively few years ago that India was one of Canada's best markets for rubber tires and inner tubes. In 1933-34 the business was recorded in local trade returns as having a value of Rs.757,357. By 1936-37 the value of these imports from Canada had declined to Rs.51,817 but rose to Rs.255,196 in 1937-38. Imports of miscellaneous rubber manufactures, on the other hand, although of comparatively small value, have appreciated in value from Rs.12,172 in 1933-34 to Rs.39,574 in 1937-38. It is only these two items that are exported from Canada to the Indian market, no business being done in motor cycle, bicycle, or hard rubber tires or in rubber-soled footwear. Canada's present share of the trade is accordingly a comparatively small one.

The outlook for increased business in tires must be described as unsatisfactory. Local competition and that offered by the United Kingdom, the United

States, Japan, and several European countries is continuous and severe and, although the market is now open to all suppliers on an equal basis, Canadian factories are hardly likely to figure prominently in the trade in future or to take a larger share in it than is permitted by their ability to compete in business for a comparatively few sizes or types. The share will depend to a large extent on the export policy of interested manufacturers.

With respect to other rubber manufactures, Canadian exports comprise fairly large quantities of rubber gloves for surgical and household use, and of various moulded stationery lines and articles of office equipment. A small trade is also done in hot water bottles, bathing caps and shoes, and similar products. The demand for all such goods is by no means extensive but it is believed that Canadian business in them could be considerably increased if manufacturers would make a definite and sustained attempt to establish their exports to this territory on a permanent basis. This office receives numerous inquiries from import and agency firms who are familiar with the trade in rubber products and is in a position to furnish complete details regarding any particular branch of the business to interested Canadian firms.

FOREIGN TRADE OF SARAWAK IN 1938

C. H. KHOO, OFFICE OF THE TRADE COMMISSIONER

(All values are in Straits currency: S\$1 equals 55 cents Canadian at present exchange)

Singapore, July 12, 1939.—Comprising an area of 50,000 square miles, the state of Sarawak, on the northwest coast of Borneo, has a population estimated at 445,000, barely 500 of whom are Europeans. The English Brooke family, whose members have been hereditary white rajahs since 1841, have absolute control of the state's affairs.

A general downward tendency marked the year's trading when compared with 1937, declines being registered in the import, export, and total foreign trade values. A favourable trade balance of \$3,763,158 was recorded, however, as compared with \$9,791,832 in 1937. Total foreign trade fell by \$7,083,626 (12·7 per cent) from the 1937 figure of \$55,590,662 to \$48,507,036 in the year under review. These values do not include movements of treasure.

EXPORTS

Exports, the principal items of which are rubber, petroleum products, gold, sago flour, pepper, and agricultural products, showed a decline of \$6,556,150 or 20·1 per cent, the totals being \$26,135,097 for 1938 and \$32,691,247 for 1937. The value of rubber exports dropped by 52 per cent from the 1937 total.

IMPORTS

Imports totalled \$22,371,939 as against \$22,899,415 in 1937, a decline of only \$527,476 or 2·3 per cent. Most of the state's requirements are drawn from stocks held in Singapore and no sources of supply are recorded in official statistics. Items of interest to Canadian exporters, with values for the years 1938, 1937, and 1936 respectively, are as follows:—

	1938	1937	1936
Biscuits	\$114,195	\$230,456	\$191,289
Butter and cheese	28,591	32,815	30,394
Confectionery	31,467	47,057	39,313
Cycles and motor cycles and accessories	79,957	122,503	108,822
Drugs and medicines	202,351	257,565	210,199
Electrical goods and apparatus	174,217	158,163	142,133
Fish, dried and salted	179,315	265,553	192,705
Fish, in tins	53,386	114,561	82,136
Flour	169,744	206,851	186,286

	1938	1937	1936
Fruit, fresh	58,535	93,572	67,317
Fruit, dried and preserved	34,364	50,697	43,207
Fruit, in tins	12,621	30,620	19,061
Leather	6,115	11,390	9,552
Macaroni and vermicelli	25,723	38,988	28,136
Milk, condensed and sterilized	409,788	530,896	446,253
Motor lorries and cars	87,052	136,021	72,539
Motor accessories	49,718	53,148	51,371
Paint, varnish and tar	115,885	78,971	65,060
Paper	82,781	110,664	67,407
Vegetables, salted and preserved	87,209	97,161	96,154
Vegetables, in tins	27,812	56,628	40,933
Zinc sheathing and sheeting	33,066	39,489	24,204

BUSINESS CONDITIONS IN MEXICO, JANUARY-JUNE

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, July 31, 1939.—Business in Mexico, particularly retail business, was adversely affected during the first half of the year by the political agitation in behalf of candidates for the approaching presidential election and by the uncertainty over the outcome of conversations between the Mexican Government and the petroleum companies for settlement of the petroleum dispute. The Easter season failed to give the usual stimulus to business, although since the first of April there has been a slow but steady upward trend in retail sales. Imports of manufactured products have continued at a low level. The limited buying from abroad has affected imports from the United States principally. There has been a noticeable increase in purchases from European countries, particularly Germany and Italy as a result of petroleum barter. The demand for corn, wheat, and cottonseed from the United States has continued active.

EXCHANGE AND CREDIT

In spite of the maintenance by the Bank of Mexico of a fixed rate of exchange at 4.98½ pesos buying and 4.99 pesos selling, imports failed to rise during the period. Credit facilities to importers continued restricted and prices for imported merchandise remained high in peso value. Collections were slow in many lines, with cramping effects on business. Exporters to Mexico generally pursued a cash-with-order or cash-against-documents policy, except in the case of proven risks, and foreign collections consequently were met more or less promptly. Banks were cautious in extending loans and credits.

Income failed to keep pace with rising prices and purchasers of merchandise such as radios, refrigerators, and automobiles on an instalment basis, while paying promptly, are not meeting their payments in full.

INDUSTRY

The cotton textile and artificial silk industries continued to be disturbed by labour and wage disputes during the first half of the year. On April 1 uniform wages became effective in the cotton textile industry. A number of the large mills continued to accumulate stocks of semi-finished goods, although a normal flow of orders tended to keep stocks at a reasonable level. There was a steady demand for woollen textile goods and stocks on hand were moderate. Some improvement appeared in the rayon industry due to better markets for artificial silk textiles and finished products. During April the Mexican Government agency, "Importadora y Distribuidora de Artisela," contracted with Italy for the purchase of 3,600,000 kilos of rayon yarn in the year beginning June, the purchase to be paid for with petroleum.

The automobile tire industry was occupied at capacity in filling orders during the first six months of the year. Wholesale hardware was sluggish throughout the period but improvement appeared in retail hardware sales towards the end of April. There was less public and private construction than in the same months of 1938 and this condition was reflected in sales of building hardware. In spite of a shortage of supplies of electric power and restrictions on the consumption of electricity, electric refrigerators and household appliances continued to enjoy good sales. The shoe industry worked to near capacity, wholesale drug sales were well maintained, and foodstuffs sales showed improvement over the previous months.

AGRICULTURE

Frosts early in February damaged the tomato crop in southern Sonora and the green pea crop. In the neighbourhood of Saltillo the wheat crop was reduced by about 20 per cent by frost, but a substantial yield is still expected. Conditions in the Guaymas area were favourable for a bumper wheat crop. Barley production in the Mexicali district is expected to reach 15,000 metric tons, or approximately 6,000 tons more than in 1938. In certain of the cotton-growing areas the crop suffered severely from lack of rain.

FOREIGN TRADE

Official figures published by the Mexican Government show that imports into Mexico in 1938 were valued at 493,323,784 pesos, while exports amounted to 838,126,841 pesos in value. These figures indicate a decline of 19·7 per cent in imports and of 6·1 in exports as compared with 1937, but this comparison does not take into consideration the change in the external value of the peso in 1938.

BUSINESS CONDITIONS IN BRAZIL IN 1938

L. S. GLASS, CANADIAN TRADE COMMISSIONER

(The average value of the conto, which is equal to 1,000 milreis, was \$62.23 in 1937 and \$56.76 in 1938)

Rio de Janeiro, July 17, 1939.—The year opened with a reversion to controlled exchange, moratorium on the foreign debt service, and government by Presidential Decree following the *coup d'état* of President Getulio Vargas in November, 1937. This state of affairs was not conducive to confidence, particularly as it became apparent, as time went on, that so far as external relations were concerned Brazil would not regain the ground lost in 1937 when the favourable balance of trade was one of the lowest in the country's history.

EXTERNAL TRADE

Owing primarily to the fall in prices of Brazilian export commodities, especially coffee, following the relinquishment of price control of export coffees. Brazilian exports decreased in value by \$52,000,000 from \$347,564,000 in 1937 to \$259,588,000 in 1938. Import values also declined, but to a lesser degree, from a total of \$330,554,000 in 1937 to \$295,388,000.

For the first nine months of the year imports declined, but during the last quarter showed an upward trend. Exports remained at a fairly constant value level throughout the year as compared with previous years. The favourable balance of trade was officially reported at only \$169,451 as compared with \$17,010,000 in 1937, when it was one of the lowest in the history of Brazil up to that year.

FEDERAL FINANCES

BUDGET

In the 1939 budget expenditure is estimated at 4,065,500 contos as against 3,875,227 contos in 1938, an increase of 5 per cent. Revenue is estimated at 4,070,969 contos as against 3,823,623 contos, an increase of 6 per cent. These estimates indicate a budget surplus of 5,469 contos or approximately \$300,000. This is the first occasion, in many years, that a surplus has been budgeted for.

It is of interest to note in connection with the estimated income for 1938 that 284,000 contos were collected from income tax, which was estimated to return 308,000 contos. Receipts from income tax for 1939 have been estimated at 332,500 contos. Import duties, port duties, etc., are estimated to provide 1,330,000 contos in 1939 as against 1,329,000 contos in 1938. It was expected that customs duties alone would yield 1,321,000 contos in 1938, but actual collections (subject to slight revision) were 1,038,000 contos, or nearly 300,000 contos below the estimate. Under the heading of other taxes, including stamp tax, sales tax, etc., a yield of 278,000 contos is budgeted for 1939 as against 268,000 contos for 1938. Unrevised figures indicate receipts from this source to have been only 221,000 contos in 1938.

On the expenditure side, the estimates for the Ministry of Marine alone show a decrease in expenditure, amounting to 2,693 contos. The allocation for the Ministry of Finance is 1,238,743 contos, an increase of 10,600 contos. This increase may possibly be in anticipation of a resumption of foreign debt services. The Ministry of Transportation and Public Works is given an increase from 932,000 contos to 990,000 contos. Other allocations are: War, 760,000 contos; Education, 305,000 contos; Justice, 148,000 contos; Agriculture, 127,000 contos; Labour and Commerce, 112,000 contos.

EXTERNAL DEBT

As yet no solution has been found for the resumption of Brazil's payments on her foreign debt, which remains in the neighbourhood of \$1,250,000,000, although assurances have been repeatedly given that Brazil has every intention to resume payments.

CURRENCY CIRCULATION

Currency in circulation increased from 4,550,000 contos on December 31, 1937, to 4,825,000 contos on December 31, 1938. The latter figure represented an index of 142 on the base year of 1928. Gold reserves increased from 28,120 kilograms of fine gold at December 31, 1937, to 28,813 kilograms at the end of 1938. In actual gold values the increase was from £3,840,000 gold to £3,935,000 gold.

TRANSPORTATION

No details of any sort are yet available concerning railway traffic or earnings for 1938. However, it is of interest to note that in accordance with the Government plans for rehabilitation of the transportation systems of Brazil it is anticipated that in 1939, 1940 and 1941 widespread replacement, modernization and the construction of new lines will take place.

Air traffic in Brazil continues to expand. Exclusive of the Government services, eight companies operated in Brazil in 1938 as against seven in 1937. Flights increased from 6,076 to 8,052, or by 33½ per cent. Kilometres flown increased 13 per cent from 6,112,000 to 6,919,000. Passengers carried rose by 2½ per cent, baggage by 12 per cent, mail by 24 per cent and freight by 51 per cent, the respective amounts in kilograms being 895,000, 186,000 and 355,000.

COFFEE

A full year has passed since the decision was taken to relinquish price control, which for so long formed Brazil's marketing policy for coffee, her greatest single export item. Following that step, coffee exports increased to 17,112,524 bags in 1938 as against 12,122,809 bags in 1937. Except in 1931, when an exchange of coffee for wheat was negotiated with the United States, the quantity exported in 1938 was the largest in the past ten years. Again excepting 1931, the highest figure previously reached in the period was 15,459,309 bags in 1933.

As a result of the new coffee policy Brazil has regained a large share of the business lost to her competitors during the control years. World coffee consumption, according to market statistics compiled by authorities outside Brazil, increased from 24,450,000 bags in 1937 to 27,334,000 bags in 1938, an increase of 2,884,000 bags or 11·8 per cent. Brazil supplied 17,210,000 bags in 1938 as against 13,095,000 bags in 1937, representing an increase of 4,115,000 bags or 31·42 per cent. From these figures it may be seen that the total increase in world consumption was not only absorbed by Brazilian exports, but that the total supplied by other coffee-producing countries suffered a decrease, amounting to 1,231,000 bags or over 10 per cent. In 1938 Brazil supplied 7,076,000 bags more than all other coffee-producing countries combined, thereby regaining her previous position of delivering two-thirds of the total world consumption of coffee.

However, as volume of Brazilian exports increased, values declined, principally because the taxes which were collected on exported coffee during the control period were actually passed on to the consumer in the form of higher prices. With the reduction in taxes the exporter was still able to obtain the same or even greater returns in milreis as during the control years. On the other hand, Brazil suffered, since these taxes were actually returned to the country in the form of foreign exchange. Therefore, although the milreis value of coffee exports increased from 2,159,431 contos in 1937 to 2,296,100 contos in 1938, the gold value decreased from £17,886,647 to £16,191,562 or by £1,695,085 gold.

Coffee prices declined steadily in 1938 until the middle of July, when they took an upward turn. However, this trend was short lived and the year closed with prices well below those ruling at the end of 1937.

COTTON

During 1938 cotton continued to be the second most important commodity in Brazil's export trade, although a decrease in value occurred. The value was £6,559,000 gold as against £8,018,000 gold in 1937. The decrease was accounted for entirely by lower prices, as tonnage actually increased from 236,000 tons to 268,000 tons. Average values per ton fell from £33 19s. gold in 1937 to £24 8s. gold in 1938, the lowest figure in the five years since cotton became of major importance in Brazilian export trade.

In spite of the fall in prices the year was considered to have been a very satisfactory one and it is anticipated that 1939 will be even more so. Of the 269,000 tons exported from Brazil in 1938 São Paulo claims to have exported 200,000 tons and it is estimated that the state's exports will be increased to 250,000 tons in 1939. Stocks on hand at the end of December were considerably below those for the previous year. With curtailment of production in China, poor prospects for the Indian crop, continued buying by cotton-consuming countries, and an extension of the *modus operandi* for trading with Germany in compensation marks, it is expected that prices will be better, particularly if the United States continues to support prices for American cotton.

EXCHANGE

In November, 1937, two steps of far-reaching importance affecting exchange were taken by the Brazilian Government, namely the release of coffee from the price control policy and the suspension of all remittances in foreign exchange. With the latter step a monopoly of all exchange transactions at the same time was vested in the Bank of Brazil. In the middle of the following January the Bank of Brazil recommenced to distribute foreign exchange for the account of imported merchandise and freights for exported goods, but profits, dividends, and other remittances as well as payments on account of Brazil's foreign debt, were not resumed.

The regulations which had been in force in 1934-35 formed the basis for the distribution of exchange for imported goods—that is to say, the consignee on the due date of the draft deposited Brazilian currency to the value of the draft at the current rate of exchange. After periods ranging from 20 to 35 days later the Bank of Brazil, after being satisfied that the transaction was in order, undertook to supply the necessary foreign exchange within 60 days of that date (at one time this period was reduced to 30 days). Thus, delays from 50 to 95 days occurred. In view of the fact that the Bank of Brazil was the sole legal buying and selling agency, rates were to all intents and purposes pegged and the average rate during the year was 17·690 milreis to the United States dollar.

This resumption of exchange control was decided upon only after a very careful study of many factors. Probably the most important consideration was the heavy adverse trade balance during the latter months of 1937, and which, if it had continued, would have caused a severe drop in the value of the milreis and a disastrous shortage of foreign exchange.

By relinquishing the policy of coffee price control, which had been maintained in part by heavy internal taxes, a large part of the markets lost during the years of control were certainly regained. However, prices were bound to fall and, in spite of the greatly increased volume of exports, the actual returns in foreign exchange were considerably less than in the preceding year. Declines occurred also in world prices of other Brazilian export commodities; while the total value of imports declined 10 per cent in 1938, export values fell by 15 per cent. Thus, according to official returns, Brazil's favourable balance of trade or visible surplus of foreign exchange was even less than in 1937.

So far as trade returns are concerned, some doubt exists as to whether the statistics, as published, give a true picture of the situation. In the first place, allowance must be made for Brazil's trade with Germany, which is carried on in a currency having no international value. In this connection it is also claimed that there occurs an overvaluation of Brazil's imports from Germany, amounting to approximately 20 per cent, occasioned by the method of converting marks to milreis. There is likewise believed to be from 5 to 10 per cent undervaluation in Brazilian exports. In the following figures, therefore, an attempt will be made to allow for these discrepancies so as to give a closer approximation to the actual exchange situation.

RECEIPTS OF FOREIGN EXCHANGE*

The supply of foreign exchange available for use during 1938 can be estimated as follows: Exports yielded \$295,558,000; new capital invested in Brazil, \$2,500,000, tourist spendings, \$3,000,000; miscellaneous, including spendings of foreign missions, returns from foreign trade of Brazilian steamship companies, etc., \$2,000,000; sales of gold, \$6,500,000. This makes a total of \$309,558,000.

* In this report no attempt has been made to allow for illegal transactions in exchange, such as are referred to as "bootleg" or "black market" transactions.

EXCHANGE DISBURSEMENTS

Trade statistics place the value of imports into Brazil in 1938 at \$295,388,599. Normally this sum would require the equivalent amount of free currency or credits to liquidate. There are, however, the adjustments previously mentioned to be made. Trade with Germany, in accordance with these figures, represents 25 per cent of the total or \$73,817,000. Owing to overvaluation of imports from Germany, which appear to have been calculated in the statistical reports on the basis of reichsmarks instead of compensation marks, this figure should be decreased by 20 per cent, making the total of Brazil's trade with Germany \$59,054,000. Deducting this from the total import values leaves \$234,334,000 representing Brazil's imports in free currencies and, therefore, the total of the liabilities in foreign exchange of international course for such payments. The latter figure agrees closely with the figures of the Bank of Brazil below. It is assumed that all payments to Germany have been in kind or compensation marks, although it is not impossible that certain remittances in international currency have been made in payment for goods imported from Germany.

Total receipts of foreign exchange have been estimated at \$309,558,000, leaving Brazil a total of \$75,224,000 with which to meet all other demands of foreign exchange. The Bank of Brazil, which constituted the sole medium for exchange transactions in Brazil, stated in its annual report that the total sales of foreign exchange were in accordance with the table below. This table in the Bank's statement is given only in sterling, but to facilitate dollar comparison the sterling figures have been converted into dollars at the average cross rate of exchange between sterling and dollars in Brazil during 1938 at \$4.90 to the pound sterling.

Brazil's Receipts of Foreign Exchange

Sales to the account of:	Pounds Sterling	United States Dollars
Imports.	45,802,425	234,431,000
Government expenditures.	5,236,836	25,660,000
Commercial arrears.	4,313,162	21,134,000
Coffee department.	88,720	435,000
Private remittances.	1,415,641	6,937,000
Miscellaneous.	329,823	1,616,000
Total sales.	57,186,607	290,213,000

SUMMARY

Two points of significance arise from a study of the various figures given. In the first place it would appear that actual exchange sales effected were over \$19,000,000 more than estimated receipts. This discrepancy may be explained by the acquisition and sale by the Bank of Brazil of export bills prior to the export of the merchandise. The actual exportation of the merchandise being realized after the close of 1938 would not appear in the 1938 export figures. Therefore, this sum will actually be carried forward as a liability to 1939.

The second point is that, with the resumption of exchange control, payment of mature drafts was automatically extended and the lag at the close of the year was approximately 90 days over and above normal commercial credit periods. This suggests that over and above average requirements there will have to be met in 1939 exchange requirements equivalent to the imports of the last three months of 1938 or approximately \$57,600,000 after allowance for trade with Germany has been made.

Continuing the adverse balances which were experienced in the latter months of 1937, the first four months of 1938 likewise registered adverse balances. The succeeding six months showed favourable balances, while November and December again registered decreases which actually continued,

but to a lesser extent into 1939. The future depends entirely on a successful export effort and maintenance of imports at a level which will materially increase Brazil's favourable balance of trade. The Government of Brazil is fully aware of the inherent dangers and the situation is being carefully controlled, so that, in spite of what may appear to be, unfavourable indices, greater confidence is manifested than has heretofore been the case.

It is not recommended that Canadian exporters ignore the Brazilian market, but due cognizance of the situation should be taken and exporters should be prepared, should the occasion arise, to carry their Brazilian accounts for protracted periods.

TRADE AND ECONOMIC CONDITIONS IN COSTA RICA IN 1938

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

(Values are in United States currency; one kilo equals 2·2 pounds)

Panama City, July 31, 1939.—For the third calendar year in succession the Republic of Costa Rica in 1938 enjoyed prosperous conditions. Total foreign trade during the year was valued at \$22,766,335 as compared with \$23,390,644 for 1937 and \$18,213,715 for 1936. While the value of foreign trade was slightly lower, the volume showed a slight increase during 1938 as compared with 1937, the decrease in total value being largely due to lower commodity prices and declines in exports of coffee, bananas, and cacao.

General conditions during 1938 were favourable almost without exception. Government revenues were satisfactory and the budget was balanced without difficulty. Foreign exchange was plentiful and exchange control remained in force more as a formality than a necessity. Trade with Germany on the barter basis continued on quite a large scale, although it appears that the Government is alive to the possibility of undue commercial pressure arising from any large balances of unexpended askimarks.

The tourist traffic continued to increase and now provides throughout the year a steady and useful source of foreign exchange, especially of United States dollars. The large banana development work being undertaken on the Pacific Coast, as well as success of the tuna fishing and freezing industry at Puntarenas in the first year, brought a measure of prosperity to that port which is reflected throughout the country. Progress was made in the construction of roads, bridges, and other public works, and domestic agricultural prices increased to an extent which undoubtedly will raise the standard of living and purchasing power of the agricultural population.

Service on Costa Rica's foreign debts was resumed after adjustments and lower duties on certain imported foodstuff necessities are forecast. The balance of trade between Costa Rica and certain foreign countries remained heavily unfavourable to Costa Rica but the imposition of a 100 per cent surcharge in such cases is expected to alter the situation.

EXPORTS

The following table shows the value of domestic exports in 1937 and 1938 by countries of destination:—

Exports from Costa Rica by Countries

	1937	1938
Total	\$11,512,097	\$10,145,614
United States	5,188,164	4,628,438
United Kingdom	2,305,922	2,476,564
Germany	2,240,804	1,944,666
Holland	327,925	208,403

Exports from Costa Rica by Countries—Concluded

	1937	1938
Canal Zone..	\$169,060	\$134,686
Japan..	71,952	118,746
France..	298,984	112,816
Colombia..	145,419	110,080
Sweden..	156,544	99,943
Peru..	31,582	63,163
Canada..	76,142	46,912
Guatemala..	1,556	34,025
Czecho-Slovakia..	1,554	29,977
Panama..	82,356	24,302
Australia..	10,084	22,075
Italy..	227,669	19,683
Chile..	13,705	14,920
Belgium..	91,987	14,517
All other countries..	70,688	41,698

The decrease in total value of all exports during 1938 as compared with 1937 amounted to \$1,366,483 or 11.86 per cent. Allowing for variations from year to year in the volume and value of comparatively unimportant items of export trade, it is clear that the decline in exports of coffee, bananas, and cacao accounts for the lower figures for 1938 as compared with 1937. During 1938 total banana exports were 11,770,920 kilos less than during 1937 and this falling-off explains why new banana development work on a large scale is being undertaken on the Pacific Coast. Coffee exports during 1938 showed a decrease of 1,538,852 kilos as compared with 1937 due to a smaller crop, while cacao exports declined by 1,772,466 kilos.

The following table shows the volume and value of the principal commodities exported from Costa Rica in 1937 and 1938; the six items comprising this table accounting for almost 97 per cent of the total value of all Costa Rican exports during 1938:—

Exports from Costa Rica by Commodities

	1937		1938	
	Kilos	\$	Kilos	\$
Coffee..	26,519,934	6,106,026	24,981,132	4,938,053
Bananas..	136,720,097	3,049,969	124,949,177	2,806,547
Cacao..	7,305,482	1,341,555	5,533,016	829,955
Gold bars..	1,061	460,761	1,295	554,393
Tuna fish..	126,170	19,250	3,363,967	453,787
Currency.. . . . .	.....	212,882	.....	255,455

The decline in quantity of coffee exports during 1938 was the result of a smaller crop than usual. Although the crop was of good quality, the prices realized for the most part were lower than obtained during 1937.

Banana production in Costa Rica, which in the past has been concentrated on the Caribbean Coast, has been declining steadily in quantity and somewhat in quality during recent years, probably due to plant disease. Production is now increasing rapidly on the Pacific Coast and within two years banana exports from Costa Rica are expected to return to their former large volume.

The calendar year 1938 was the first full year of successful operation of the tuna fishing and freezing industry at Puntarenas. Tuna are plentiful in the Pacific Coast waters of Costa Rica and are of good size and quality. Tuna fishing is now carried on efficiently and regular shipments of the whole frozen fish are going forward almost every two weeks from Puntarenas to Los Angeles, California.

The currency item in the above table comprises United States currency almost exclusively and is to a certain extent a measure of the value of the tourist traffic.

Costa Rican exports to Canada consist entirely of coffee. In view of the imposition of a 100 per cent surcharge on imports into Costa Rica from countries which do not purchase sufficiently large quantities of Costa Rican products, it is hoped that Canadian importers will be able to continue their purchases of Costa Rican coffee.

IMPORTS

The import trade of Costa Rica during 1938 as compared with 1937 increased in value by \$742,174 or slightly more than 6 per cent. The total value of imports into Costa Rica has increased annually since 1935, indicating not only higher commodity prices but also an expanding market for foreign goods.

Costa Rica is an exporter of primary products and therefore the demand for and the price of these products on world markets more or less determines the quantity and value of foreign products imported. Except for returns from tourist traffic and a small gold production, foreign exchange for the purchase of foreign goods must derive from the proceeds of domestic exports. It is for this reason that the Costa Rican Government is endeavouring to direct its foreign trade along reciprocal channels.

The following table shows the value of imports from principal supplying countries in 1937 and 1938:—

Imports into Costa Rica by Countries

	1937	1938
Total.....	\$11,878,547	\$12,620,721
United States.....	5,048,075	6,194,856
Germany.....	2,747,976	2,496,216
United Kingdom.....	926,978	915,426
Japan.....	976,633	781,687
Belgium.....	180,975	218,381
Italy.....	300,796	286,095
Honduras.....	29,283	198,602
Holland.....	185,343	172,849
France.....	159,446	164,983
Curacao.....	.....	162,638
Panama.....	118,754	125,332
Sweden.....	44,177	76,220
Canada.....	45,438	53,954
Others.....	1,114,673	773,482

Imports from Germany, which are financed by the discounted barter "aski" or "coffee" mark, declined slightly during 1938 as compared with 1937. Costa Rican importers are divided in opinion as to the cause of this decline in view of the large balance of unexpended marks available. The smaller 1938 coffee crop coupled with disturbed conditions in Europe undoubtedly were factors but there seems also to be resistance among certain importers to the barter method of trade.

Imports into Costa Rica from the United Kingdom and Japan decreased during 1938 but the United Kingdom regained third position as a source of supply. It had been lost to the Japanese in 1937. The imposition of a 100 per cent surcharge on imports from Japan—from which United Kingdom products are exempt—is expected during 1939 further to curtail purchases of Japanese products, especially textiles. The United States continues to be by far the largest supplier of Costa Rican imports, but the United States share of this trade is almost balanced by large purchases of Costa Rican products. Canada's share of Costa Rican imports, although small, continues to increase. As in the case of the United States, it is practically balanced by Canadian purchases of Costa Rican coffee.

The following table gives the value of the principal commodities imported into Costa Rica in 1937 and 1938:—

Imports into Costa Rica by Commodities

	1937	1938
Wheat flour.....	\$655,352	\$603,807
Gasoline.....	353,189	411,503
Railway materials.....	190,873	285,038
Cotton fabrics.....	249,210	320,404
Cement.....	185,968	186,767
Cotton prints.....	151,690	136,441
Jute bags.....	215,568	140,792

Imports into Costa Rica by Commodities—Concluded

	1937	1938
Paraffin..	\$124,932	\$116,607
Crude petroleum..	182,306	180,161
Fertilizers..	127,397	134,347
Galvanized iron roofing..	172,130	207,558
Lard (hog)..	156,589	186,152
Compound lard..	40,105	41,930
Industrial machinery and accessories..	116,892	150,248
Structural steel and iron..	135,803	111,871
Rice..	127,742	37,208
Lumber and timber..	29,521	126,217
Electrical materials..	123,316	151,609
Printing paper..	110,505	83,494
Paper bags..	103,269	61,735
Wrapping paper..	58,342	91,173
Silk stockings..	84,220	92,821
Cotton hosiery..	128,245	106,445
Automobiles and accessories..	208,013	266,069
Whisky..	41,145	74,847
Condensed milk..	32,363	36,219
Codfish..	26,664	28,986
Radios and accessories..	96,535	18,016
Cotton undershirts..	26,008	23,265
Kerosene..	36,025	35,820
Woollen fabrics..	192,038	177,300
Candies..	32,566	42,781
Leathers..	33,336	30,364
Rubber tires..	46,815	56,580
Shovels..	20,926	23,294
Fish in tins..	46,319	80,252
Paints, prepared and otherwise..	88,300	103,798
Electrical refrigerators and accessories..	71,096	49,363
Galvanized iron piping..	120,439	93,636

Canadian exports to Costa Rica covered a wide variety of items and there would appear to be room for further expansion. The Costa Rican market is a difficult one from a Canadian point of view because of keen German barter competition, the lack of direct shipping facilities from Eastern Canada to Costa Rican ports, and the depreciation in the currency of Costa Rica (colones 5.62 equal U.S.\$1). The depreciated value of the currency makes foreign merchandise high in price in local currency and thus limits imports to a great extent to low-priced and low-quality goods.

CANADIAN EXPORTS TO COSTA RICA

Costa Rican statistics do not list the imports of commodities by countries of origin. According to Canadian trade statistics, the following products are exported from Canada to Costa Rica: wheat flour; biscuits; whisky; gin; other spirits; rubber belting; canvas and rubber shoes; rubber shoes; rubber hose; automobile tires; automobile tubes; other rubber; codfish; herrings, smoked; mackerel; pollock; herrings, preserved; salmon, preserved; sardines; other fish in tins; leather; milk and its products; cotton duck; cordage, rope, and twine; oilcloth; other textiles; silk stockings; newsprint; wrapping paper; paper bags; wallpaper; books, printed matter, etc.; piping and fittings; sewing machines; tools; aluminium products; copper and copper products; electrical apparatus; patent medicines; cyanamid; other chemicals; brushes of all kinds; mattresses and pillows.

COSTA RICAN PORTS

The foreign trade of Costa Rica passes through two ports. Puerto Limon on the Caribbean Sea is the more important of these, although Puntarenas on the Pacific Ocean is steadily increasing in importance. Private banana production on the west coast of Costa Rica has increased rapidly during recent years and the large banana plantation development work now underway in the Quepos and Parrita districts is expected eventually to replace the Limon district as the main Costa Rican source of supply of bananas for export.

It is not entirely clear as yet how the west coast bananas will be shipped to the large consuming markets of the eastern United States. Construction of

a new port on the Pacific Coast south of Puntarenas, at or near Quepos, is a possibility, but it is not known definitely whether a decision in this regard has been reached. From a west coast Costa Rican port bananas could reach the eastern United States by three routes: by ship via the Panama Canal, by ship to California and across the continent by rail, or across Costa Rica by rail and from Puerto Limon by ship.

In any case, the west coast of Costa Rica is being developed and the port of Puntarenas should share directly or indirectly in this development. As compared with 1936, general cargo, except bananas, passing through the port of Puntarenas increased during 1938 by \$1,894,058 and by 22,133 metric tons. Banana production on the west coast of Costa Rica, which in 1936 was negligible, reached an export figure of 1,164,736 bunches during 1938. This development probably is of special interest to exporters in Western Canada, because irregular and infrequent sailings now are possible from Vancouver to Puntarenas and this service may be expected to improve.

Exporters in Eastern Canada do not enjoy any direct steamship service to Puerto Limon or Puntarenas and shipments are usually made via New York or Boston.

PARCEL POST SHIPMENTS

A few Canadian exporters are aware of the business possible in Costa Rica and other small Central American countries by using the parcel post. Goods which are light in weight and small in bulk can be shipped frequently and economically by parcel post. Parcel post shipments of merchandise imported into Costa Rica during 1938 were an important item in the import trade of the country. Figures for such shipments by leading supplying countries were: Germany, \$348,109; United States, \$328,296; Italy, \$64,401; United Kingdom, \$55,982; Switzerland, \$40,175; Czecho-Slovakia, \$15,426; Holland, \$7,243; and Canada, \$3,447. A careful study by Canadian exporters of the possibilities of shipment to Costa Rica by parcel post might reveal economies which would make more business possible.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

MERCHANDISE MARKS ACT—BUTTONS, BUCKLES, SLIDES, ETC.

Referring to the announcement in *Commercial Intelligence Journal* No. 1835 (April 1, 1939), the Acting Chief Canadian Trade Commissioner in London writes that the Merchandise Marks Standing Committee have recommended that an Order in Council should be made prohibiting the importation into the United Kingdom of:

(a) Buckles, slides and clasps made wholly or mainly of wood or plastic materials for use with wearing apparel;

(b) Buttons of all kinds;

unless they are accompanied by an indication of origin.

The Committee proposes that the indication of origin should be printed or stamped in a contrasting colour on any carton, container or card in, or on, which the articles are imported.

Buttons made of precious metals or set with precious stones or imitations, and buckles, slides clasps or buttons attached to wearing apparel or other goods at the time of importation are to be exempted.

The Committee further recommend that the order should not come into force until six months after being made.

As the recommendations of the Merchandise Marks Committee are almost invariably put into force Canadian manufacturers of buttons, etc., who are engaged in export trade to the United Kingdom, are advised to study carefully

the effect of the proposed regulations on their trade, to consult with their customers on the subject and to adapt their products to meet the requirements in ample time.

EXPORT PROHIBITIONS

The Acting Chief Trade Commissioner in the United Kingdom, writing under date of August 24, reports that an order issued by the Board of Trade under date of August 23, prohibits forthwith, except under licence, the export to foreign countries of the commodities specified below:—

Aluminium and alloys containing aluminium.—Ingots, blocks, slabs, billets, notch bars, wire bars, cakes, and granules.
 Antimony and alloys containing antimony.—Ingots, blocks, slabs, billets, notch bars, wire bars, cakes, and granules.
 Bismuth metal.
 Cobalt, metallic.
 Copper, unwrought.
 Lead, unwrought.
 Mercury.
 Nickel (including unrefined nickel and matte) and alloys containing nickel, unwrought.
 Palladium, iridium, rhodium, osmium, ruthenium, osmiridium, beryllium, and columbium, and alloys thereof.
 Platinum and alloys thereof, in grain, ingot, bar, or powder.
 Ferro-alloys of all descriptions.
 Silicon and alloys thereof and silicon powder.
 Tin in blocks, ingots, bars, and slabs.
 Zinc or spelter, unwrought.
 Non-ferrous scrap and old metal.
 Iron and steel scrap and waste.
 Cotton, raw, cotton linters and cotton waste.
 Flax, including flax tow or codilla and all waste.
 Hemp of all kinds, including false hemp.
 Jute, raw.
 Silk cocoons, raw silk, waste and noils, including those containing other materials.
 Ground nuts.
 Linseed.
 Palm oil.
 Linseed oil.
 Coconut oil.
 Cotton seed oil.
 Whale oil.
 Oil seed cake and meal.
 Petroleum products of the following descriptions: Motor spirit, gas oil.
 Gums and resins.—Copal, shellac, seedlac and sticklac, rosin (colophony).
 Mica.
 Rubber (including compounded rubber), balata and gutta-percha, and rubber scrap.
 Toluol and toluene.
 Glycerine.
 Radium compounds.

Ireland

CUSTOMS DUTIES ON LEATHER HARNESS, JUTE WRAPPERS, IRON UTENSILS

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that, effective from August 10, 1939, changes have been made in Eire customs duties as follows:—

	New Rates		Former Duty.
	Canada and United Kingdom	Other Countries	No Preferential Rate
Jute wrappers and crate linings for pork...	33½% ad val.	50% ad val.	Free
Leather harness and saddlery...	40% ad val.	60% ad val.	40% ad val.
Baths, buckets, cans, pails, watering pots, dust and storage bins, articles for feeding or watering animals or birds, cabinets for sterilizing dairy utensils and milk bottles, washing troughs, foregoing of galvanized wrought iron or galvanized steel...	25% ad val.	70% ad val.	30% ad val.
Other sorts of domestic hollow-ware of same material...	15% ad val.	70% ad val.	30% ad val.

A licensing provision, subject to the terms of the United Kingdom-Eire Trade Agreement, whereby these duties may be reduced, is attached to the orders creating the duties.

Turkey

IMPROVED FACILITIES FOR IMPORTS FROM CANADA

With reference to the article in *Commercial Intelligence Journal* No. 1838 (April 22, 1939), particularly pages 592-5, on trade and exchange control in Turkey, the Turkish *Official Gazette* of July 17 published a decree, No. 2/11454 of July 5, adding Canada to List No. 1 (countries to which free exchange is granted) of Decree No. 2/7005 of July 15, 1937. The second article of the decree provides that transactions officially registered with the Compensation Commissions before July 17 are to be concluded under the previously existing dispensation. The *Official Gazette* also contains a communique from the Ministry of Finance adding Canada to the free exchange list in accordance with the regulations in force. The effect of these regulations is to grant free exchange for Canadian exports to Turkey up to a maximum of 80 per cent of the value of Turkish exports to Canada.

Netherlands

IMPORT RESTRICTIONS ON FEEDING CAKES

Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, advises that the restrictions on the importation into the Netherlands of feeding cakes, to which reference was made in *Commercial Intelligence Journal* No. 1803 (August 20, 1938), page 313, have been extended. During the period from August 1, 1939, to July 31, 1940, inclusive, imports from each supplying country of:

- (a) Coconut cakes shall be limited to 30 per cent of the average gross weight imported per twelve months during the period from July 1, 1931, to June 30, 1933, inclusive. The previous quota was the same.
- (b) All other types of feeding cakes shall be limited to 80 per cent of the average gross weight imported per twelve months during the period from August 1, 1936, to July 31, 1938, inclusive. The previous quota was the same.

It is specified, however, that the Minister of Economic Affairs may grant special quotas to designated countries.

A certificate of origin is required for entry of the foregoing commodities.

Guatemala

NEW TARIFF CLASSIFICATIONS

A Guatemalan decree effective July 26 establishes new tariff items on certain classes of goods which have not hitherto been segregated from other items in the tariff.

Printed paraffine paper, waxed or oiled, in rolls or in sheets measuring more than 43 centimetres (about 17 inches) on the smallest side, is now tariffed at a rate of 0.15 quetzal per kilo. (about 6.8 cents per pound). Hitherto printed paraffine paper of all kinds has been dutiable at 0.05 quetzal per kilo. (about 2.2 cents per pound). Cotton thread with a rubber core for weaving is tariffed at 0.50 quetzal per kilo. (about 22.7 cents per pound). The rate on rubber threads up to the present time has been 2 quetzales per kilo. (about 90 cents per pound). Mixed vegetable fats, in packages containing 10 or more kilograms (22 pounds), are dutiable at 0.05 quetzal (about 2.2 cents per pound), which is identical with the tariff hitherto levied on unspecified vegetable fats.

Colombia

CERTIFICATE REQUIRED FOR IMPORT OF SEEDS

Mr. W. J. Riddiford, Canadian Trade Commissioner in Panama, advises that under a Colombian decree of May 10, 1939, every kind of material for the propagation of plants (seeds, bulbs, cuttings, rhizomes, grafts, etc.) imported into Colombia must be accompanied by a sanitary certificate issued by the health authorities of the country of origin and by an import permit granted by the Colombian Ministry of National Economy. The foregoing products must also be analysed by the agricultural inspectors at the ports of Buenaventura or Barranquilla.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUG. 28, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 28, 1939, and for the week ending Monday, August 21, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 21	Nominal Quotations in Montreal Week ending Aug. 28	Official Bank Rate
Belgium	Belga	.1001	\$.1698	\$.1730	2½
Bulgaria	Lev	.0072	.0121	.0123	6
Denmark	Krone	.2680	.2089	....	3½
Finland	Markka	.0252	.0205	....	4
France	Franc	.0392	.0264	.0251	2
Germany	Reichsmark	.2382	.4011	.3939	4
Great Britain	Pound	4.8666	4.6812	4.3867	4
Greece	Drachma	.0130	.0086	.0088	6
Holland	Guilder	.4020	.5363	.5497	2
Hungary	Pengo	.1749	.2950	....	4
		Unofficial	.1960	....	—
Italy	Lira	.0526	.0526	.0539	4½
Yugoslavia	Dinar	.0176	.0228	....	5
Norway	Krone	.2680	.2351	....	3½
Poland	Zloty	.1122	.1881	....	4½
Portugal	Escudo	.0442	.0425	.0427	4-4½
Roumania	Leu	.0060	.0070	....	3½
Spain	Peseta	.1930	.1099	.1125	4
Sweden	Krona	.2680	.2412	.2437	2½
Switzerland	Franc	.1930	.2257	.2313	1½
United States	Dollar	1.0000	1.0001	1.0250	1
Mexico	Peso	.4985	.1685	.1730	3
Cuba	Peso	1.0000	....	....	—
Guadeloupe	Franc	.0392	.0265	.0252	—
Jamaica	Pound	4.8666	4.6912	4.3970	—
Martinique	Franc	.0392	.0265	.0252	—
Other British West Indies	Dollar	1.0138	.9753	.9139	—
Argentina	Peso	.4245	.3121	....	3½
	Official buying		.2753	.2520	—
	Unofficial		.2315	.2306	—
Brazil	Milreis (Paper)	.1196	.0606	.0621	—
	Unofficial		.0503	.0514	—
British Guiana	Dollar	1.0138	.9753	.9139	—
Chile	Peso	.1217	.0517	.0530	3-4½
	Unofficial		.0400	.0410	—
Colombia	Peso	.9733	.5699	.5838	4
Peru	Sol	.2800	.1850	....	6
Venezuela	Bolivar	.1930	.3100	....	—
Uruguay	Peso	1.0342	.6160	.5744	—
	Unofficial		.3602	.3473	—
South Africa	Pound	4.8666	4.6695	4.3757	3½
Egypt	Pound (100 Piastres)	4.9431	4.8000	4.5000	—
China (Shanghai)	Dollar	....	.0667	.0700	—
Hongkong	Dollar	....	.2844	.2729	—
India	Rupee	.3650	.3498	.3249	3
Japan	Yen	.4985	.2728	.2538	3.29
Java	Guilder	.4020	.5370	.5499	—
Thailand (Siam)	Baht (Tical)	.4424	.4291	.4018	—
Straits Settlements	Dollar	.5678	.5485	.5124	—
Australia	Pound	4.8666	3.7450	3.5100	3
New Zealand	Pound	4.8666	3.7600	3.5237	4

The Dominion Bureau of Statistics has supplied the following note:—

The pound sterling rose from \$4.6812 on August 22 to \$4.7038 on the 24th with the British Equalization Fund furnishing continuous support. Discounts on forward commitments, however, widened on the 23rd, when the fund withdrew support from the future market and focussed attention on spot positions. On August 25 control measures were withdrawn from all positions and the pound dropped sharply to \$4.5578 to continue downward to \$4.3867 by the 28th, the lowest level since 1933. The break in sterling was immediately reflected in Canadian currency. Premiums on United States dollars rose from ¼ per cent on the 22nd to 2½ per cent on the 24th, eased to 1½ per cent on the following day, but by the 28th had advanced to 2½ per cent. Between August 22 and 24 the French franc moved up from 2.649 cents to 2.661 cents but closed the week at 2.518 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Bloaters and Alewives.....	370	Port-au-Prince, Haiti.....	Agency.
Sardines and Salmon (Canned)...	371	Port-au-Prince, Haiti.....	Agency.
Dried Pollock.....	372	Georgetown, British Guiana.....	Agency.
Packing-house Products.....	373	Port-au-Prince, Haiti.....	Agency.
Miscellaneous—			
Jewellery, Optical Goods.....	374	Port-au-Prince, Haiti.....	Agency.
Underwear, Polo Shirts (Cotton)	375	Port-au-Prince, Haiti.....	Purchase and Agency.
Shoes, Ladies' and Children's...	376	Port-au-Prince, Haiti.....	Purchase and Agency.
Shoes, Men's.....	377	Bridgetown, Barbados.....	Purchase and Agency.
Shoes, Ladies'.....	378	Bridgetown, Barbados.....	Agency.
Stainless Steel Mouldings.....	379	Penang, Straits Settlements.....	Purchase.
Galvanized Hollow-ware.....	380	Port of Spain, Trinidad....	Agency.
Metal Beds.....	381	Port of Spain, Trinidad....	Agency.
Cast Iron Soil Pipes and Fittings.	382	Port of Spain, Trinidad....	Agency.
Carpenter's Tools.....	383	Port of Spain, Trinidad....	Agency.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Richmond, Sept. 9; Duchess of Bedford, Sept. 15; Duchess of Atholl, Sept. 22; Duchess of York, Sept. 29—all Canadian Pacific; Antonia, Sept. 8; Andania, Sept. 22—both Cunard-White Star Line; Vigor, Fjell Line, Sept. 27.

To London.—Beaverhill, Sept. 8; Beaverford, Sept. 15; Beaverburn, Sept. 22; Beaverbrae, Sept. 29; Beavertale, Oct. 6—all Canadian Pacific; Alaunia, Sept. 8; Aurania, Sept. 15; Aseania, Sept. 22; Ausonia, Sept. 29—all Cunard-White Star Line; Rutenfjell, Sept. 6; Harpefjell, Sept. 20—both Fjell Line; Prins Willem Van Oranje, Sept. 20; Prins Maurits, Oct. 3; Prins Frederik Hendrik, Oct. 17—all Oranje Line.

To Manchester.—Manchester Regiment, Sept. 7; Manchester Port, Sept. 14; Manchester Citizen, Sept. 21; Manchester Progress, Sept. 28; Manchester Commerce, Oct. 5—all Manchester Line; Vigor, Fjell Line, Sept. 27.

To Southampton.—Montrose, Canadian Pacific, Sept. 7 and 30.

To Avonmouth, Bristol, Cardiff and Swansea.—Dakotian, Sept. 6; Dorelian, Sept. 23; Norwegian, Oct. 11—all Cunard-Donaldson and Dominion Lines; New York City, Sept. 14; Bristol City, Sept. 30—both Bristol City and Dominion Lines.

To Glasgow.—Delilian, Sept. 8 and Oct. 6; Athenia, Sept. 15; Sulairia, Sept. 22; Letitia, Sept. 29—all Donaldson-Atlantic Line.

To Aberdeen and Hull.—Consuelo, Sept. 7; Bassano, Sept. 21—both Ellerman's Wilson Line.

To Newcastle and Leith.—Cairnesk, Sept. 6; Cairnmona (also calls at Dundee), Sept. 13; Cairnross, Sept. 20; Cairnvalona, Sept. 27; Cairnglen, Oct. 4—all Cairn-Thomson Line.

To United Kingdom Ports.—Windsorwood, Sept. 8; Maplewood (calls at London), Sept. 10; Wearwood, Sept. 28; Briarwood (calls at London), Oct. 5—all Constantine Line.

To Belfast and Dublin.—Torr Head, Head Line, Sept. 5 (also calls at Londonderry and Cork).

To Hamburg and Bremen.—Beaverburn, Sept. 22; Beaverhill, Oct. 13—both Canadian Pacific (do not call at Bremen); Bochum, Hamburg-American Line, Sept. 15; Aachen, North German Lloyd Line, Sept. 29.

To Havre.—Lista, Sept. 10; Hada County, Sept. 24—both County Line.

To Antwerp.—Beaverford, Sept. 15; Montrose, Sept. 30; Beavertale, Oct. 6—all Canadian Pacific; Lista, County Line, Sept. 10; Rutenfjell, Sept. 6; Harpefjell, Sept. 20—both Fjell Line; Prins Willem Van Oranje, Sept. 20; Prins Frederik Hendrik, Oct. 17—both Oranje Line.

To Rotterdam.—Grey County, Sept. 3; Brant County, Sept. 20; Eastern Star, Oct. 15—all County Line; Rutenfjell, Sept. 6; Harpefjell, Sept. 20—both Fjell Line; Prins Willem Van Oranje, Sept. 20; Prins Maurits, Oct. 3; Prins Frederik Hendrik, Oct. 17—all Oranje Line.

To Norwegian Ports.—Idefjord, Sept. 12; Topdalsfjord, Oct. 15—both Norwegian-American Line; Tindefjell, Aug. 31; Vigor, Sept. 27—both Fjell Line.

To Scandinavian and Baltic Ports.—Ragnhildsholm, Swedish America Mexico Line, Sept. 12.

To Marseilles, Genoa, Leghorn, Naples, Messina, Palermo, Gibraltar and Lisbon.—Capo Olmo, Sept. 7; Capo Noli, Sept. 26—both Capo Line (will call at Cadiz and/or Seville and/or Casablanca if sufficient cargo offers).

To Newfoundland Ports.—New Northland, Sept. 4 and 18; Gaspesia, Sept. 13—both Clarke SS. Co. (call at Cornerbrook only); Belle Isle, Newfoundland-Canada SS. Ltd., Sept. 8 and 22 (calls at St. John's and St. Pierre-Miquelon); Anna (calls at Curling, Cornerbrook, Humbermouth, St. John's, Harbour Grace, Bay Roberts, Carbonear, Wabana and Port Union), Shaw Steamship Co. Ltd.

To Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy, Sept. 16; Colborne, Sept. 30—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton, Nassau, Kingston and Belize.—Cavelier (calls at Kingston only), Sept. 8 and Oct. 6; Lady Somers, Sept. 13; Cathcart (calls at Kingston only), Sept. 22; Lady Rodney, Sept. 27—all Canadian National.

To Bermuda, St. Kitts, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Ary Lensen, Sept. 9; Maud, Sept. 23; a steamer, Oct. 7—all Ocean Dominion SS. Corp.

To Buenos Aires.—Tercero, International Freighting Corporation, Sept. 8 (will also call at Rio de Janeiro and Santos if sufficient cargo offers).

To Brisbane, Sydney, Melbourne and Adelaide.—Kaipaki, Sept. 25; a steamer, Oct. 25—both Montreal Australia New Zealand Line Ltd. (will also call at Geelong).

To Auckland, Wellington, Lyttelton and Dunedin.—City of Glasgow, Sept. 9 (also calls at Bluff); a steamer, Oct. 10—both Montreal Australia New Zealand Line Ltd.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Mapia, Sept. 23; Brastagi, Oct. 19—both Java New York-Blue Funnel Line.

To Cape Town, Port Elizabeth, East London and Durban.—Orestes (also calls at Free-town, Lourenco Marques and Beira), Elder Dempster Lines Ltd., Sept. 27.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, Rangoon, Calcutta and Singapore.—City of Manila, Canada India Service, Sept. 14.

From Quebec

To Southampton.—Empress of Britain, Sept. 9 and 23; Empress of Australia, Sept. 16 and 23—both Canadian Pacific.

From Saint John

To London, Aberdeen, Newcastle and Hull.—Gitano, Ellerman's Wilson Line, Sept. 22.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Sept. 13; Lady Hawkins, Sept. 27—both Canadian National.

To Kingston and Jamaica Outports.—San Gil, Sept. 7; Argual, Sept. 21; a steamer, Oct. 5—all United Fruit Co.

From Halifax

To Liverpool.—Nova Scotia, Sept. 6 and Oct. 7; Newfoundland, Sept. 21—both Furness Line; Manchester Exporter, Manchester Line, Sept. 28.

To St. John's, Nfld.—Fort Townshend (also calls at St. Pierre), Sept. 5 and 18; Fort Amherst (also calls at Cornerbrook), Sept. 11—both Furness-Red Cross Line; Magnhild, Newfoundland-Canada Steamships Ltd., Sept. 4 and 18 (also calls at St. Pierre and Newfoundland outports); Nova Scotia, Sept. 6 and Oct. 7; Newfoundland, Sept. 21—both Furness Line; Portia, Newfoundland Ry. and SS. Co., Sept. 13.

To Kingston, Jamaica.—Cavelier, Sept. 11; Cathcart, Sept. 25—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, Sept. 7; Lady Nelson, Sept. 21; Lady Hawkins, Oct. 5—all Canadian National; Ary Lensen, Sept. 14; Maud, Sept. 28—both Ocean Dominion SS. Corp. (do not call at Nevis or Montserrat).

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, Sept. 6; Chomedy, Sept. 20; Colborne, Oct. 4—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Santiago (Cuba) and Kingston (Jamaica).—Lillemor, Sept. 7; Lillgunvor, Sept. 21—both Pickford & Black Ltd. (also call at Jamaican outports as cargo offers).

To Far East Ports.—Silveryew, Sept. 5; Silverwalnut, Oct. 6—both Silver Line; Siamese Prince, Furness-Prince Line, Sept. 21.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, Sept. 9; Hikawa Maru, Sept. 30; Hie Maru, Oct. 14—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Russia (calls at Nagasaki), Sept. 16; Empress of Japan (calls at Honolulu), Sept. 30; Empress of Asia (calls at Nagasaki), Oct. 14—all Canadian Pacific; Ixion, Sept. 12; Titan, Sept. 24—both Blue Funnel Line (call at Miike but not at Manila).

To Honolulu, Suva, Auckland and Sydney.—Niagara, Sept. 27; Aorangi, Oct. 25—both Canadian-Australasian Line.

To Manila, Iloilo, Cebu, Soerabaya, Samarang, Batavia and Singapore.—Silveray (calls at Saigon, Belawan Deli, Colombo and Bombay, will also call at Port Swettenham and Penang if sufficient cargo offers), Sept. 9; Tosari (calls at Colombo, Bombay and Persian Gulf ports, will also call at Port Swettenham, Belawan Deli and Penang if sufficient cargo offers), Sept. 30—both Silver-Java Pacific Line.

To Papeete, Sydney and Melbourne.—Cape Horn (also calls at Adelaide), Sept. 15; Tolten (also calls at Auckland, Wellington and Newcastle), Sept. 27—both Canadian-Australasian Line Ltd.

To Fremantle and Adelaide.—Leikanger, Empire Shipping Co. Ltd., Sept. 4.

To Brisbane, Sydney, Melbourne and Adelaide.—Kookaburra, Sept. 12; Parrakoola, Oct. 15—both Empire Shipping Co. Ltd.

To London, Liverpool and Rotterdam.—Lochmonar (also calls at Glasgow), Sept. 16; Drechtdyk, Sept. 30—both North Pacific Coast Line (will call at Southampton if inducements offer).

To London, Hull, Gothenburg and Stockholm.—Annie Johnson, Sept. 7; Axel Johnson (calls at Plymouth), Sept. 22; Nordstjerman (calls at Plymouth but not at Hull), Sept. 30—all Johnson Line.

To Antwerp, Hamburg and Bremen.—Weser, North German Lloyd Line, Sept. 13; Vancouver, Hamburg-American Line, Sept. 30.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—San Antonia, Sept. 12; San Francisco, Oct. 2—both Empire Shipping Co. Ltd.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Fella, Sept. 11; Rialto, Oct. 7—both Empire Shipping Co. Ltd.

To Cape Town, Port Elizabeth, Durban and Lourenco Marques.—Manoeran, Silver-Java Pacific Line, Sept. 6 (calls at Beira, East London and Calcutta, will also call at Colombo and Madras if sufficient cargo offers); Sheafcrown (also calls at Beira), North Pacific Shipping Co. Ltd., early September.

To West African Ports.—A vessel, Jorgensen Shipping Company A/B, end of September or beginning of October (will call at Dakar, Freetown, Takoradi, Accra, Lagos, Matadi and Burutu).

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Uranienborg, Canadian Transport Co., Sept. 22.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro, Bahia, Para and Port of Spain.—Evanger, Sept. 28; Brandanger, Oct. 26—both Empire Shipping Co. Ltd. (will call at West Coast ports if sufficient cargo offered).

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, Director

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Melbourne: **FREDERICK PALMER**. Address for letters—90 Queen Street. Office—Safe Deposit Office Building. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

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London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXI

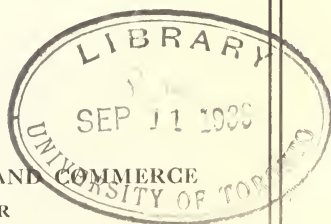
Ottawa, September 9, 1939

No. 1858



Pedigreed Canadian Ayrshire Cattle Selected for Shipment to New Zealand

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI **Ottawa, September 9, 1939** **No. 1858**

IMPORTS INTO THE UNITED KINGDOM

Under the heading of "Tariff Changes and Trade Regulations" at page 515 of this issue will be found cabled statements respecting the prohibition, except under licence, of imports into the United Kingdom of a variety of goods. Reports on the market in the United Kingdom for certain commodities also appearing in this issue must be read with these restrictions in mind.

CHANGE IN ADDRESS OF MELBOURNE OFFICE

On October 2 next the office of the Canadian Trade Commissioner at Melbourne (whose territory includes the states of Victoria, South Australia, Western Australia, and Tasmania) will be transferred from 90 Queen Street to 83 William Street, Melbourne.

NEW ZEALAND BUDGET, 1939-40

W. F. BULL, CANADIAN TRADE COMMISSIONER

(The New Zealand pound equals approximately \$3.75 Canadian)

Auckland, August 7, 1939.—In the absence in London, England, of the Honourable Walter Nash, Minister of Finance, the Prime Minister, the Honourable M. J. Savage, presented the New Zealand budget on August 1.

During the past year a broad social security scheme came into operation and, although all the benefits are not as yet available, particularly the medical benefits, many of the social services are now under social security. As reported in earlier issues of the *Commercial Intelligence Journal*, regulations controlling imports, exports, and exchange were imposed on December 5, 1938, in an effort to build up overseas balances and develop secondary industries in New Zealand. Within recent weeks the Minister of Finance has arranged with the British Government for credits amounting to £9,000,000. Of this sum £5,000,000 is earmarked for purchases of the New Zealand Government for defence and other purposes and £4,000,000 to finance commercial imports. These credits should relieve the exchange position and divert more business to exporters in the United Kingdom. Arrangements have been made through the Bank of England to repay the £17,000,000 loan due in January, 1940. One million pounds will be repaid out of New Zealand's accumulated sinking funds. The remaining £16,000,000, guaranteed by the British Government, will be borrowed at 3½ per cent and repaid as follows: £2,000,000 in 1940, and £3,500,000 in each of the succeeding four years. By the import control or import selection policy, total imports will be restricted to create a favourable balance large enough to provide some £10,000,000 for interest and to repay the special £9,000,000 credits and the loans listed above.

ESTIMATES

The estimates of ordinary revenue and expenditure, which set new records for New Zealand, are as follows, the actual figures for the last fiscal year (the year ended March 31, 1939) being also shown for comparative purposes:—

	Estimated Revenue, 1939-40	Actual Revenue, 1938-39
Taxation:		
Customs.. . . .	£10,000,000	£10,650,428
Beer duty.. . . .	1,300,000	1,076,796
Sales tax.. . . .	3,500,000	3,555,696
Film hire tax.. . . .	85,000	85,882
Gold export duty.. . . .	100,000	100,012
Highways.. . . .	3,250,000	3,059,989
Stamp and death duties.. . . .	3,480,000	3,409,440
Land tax.. . . .	1,000,000	1,058,499
Income tax.. . . .	9,600,000	9,303,495
Miscellaneous.. . . .	5,000	5,535
	£32,320,000	£32,305,772
Interest.. . . .	2,780,000	2,127,446
Other receipts.. . . .	3,160,000	2,148,827
Total.. . . .	£38,260,000	£36,582,045
Estimated Expenditure, Actual Expenditure,		
	1939-40	1938-39
Permanent appropriations:		
Debt services.. . . .	£10,022,000	£9,311,000
Exchange.. . . .	1,500,000	1,422,000
Transfer of highways revenue.. . . .	3,233,000	3,055,000
Other permanent appropriations	376,000	545,000
	£15,131,000	£14,333,000
Annual votes:		
Social services.. . . .	10,613,000	12,946,000
Other services.. . . .	12,299,000	8,494,000
	22,912,000	21,440,000
Supplementary estimates and contingencies.. . . .		
	200,000	
Total.. . . .	£38,243,000	£35,773,000
Surplus.. . . .	£17,000	£809,000

The social security accounts and the Public Works accounts are published separately and are not included in these figures. The coming into operation of the Social Security Scheme has involved several important changes in the estimates, which makes comparisons with previous years difficult. However, the Prime Minister estimates that approximately £2,500,000 in additional revenue will be required this year. This sum is to be raised as follows: increased income tax, £1,000,000; death duties, £200,000; beer duty, £300,000; and gasoline tax, £1,000,000.

INCOME TAX

For individuals the present rate of income tax is 1s. 8d. in the pound, increased by $\frac{1}{100}$ th of a penny for every pound of taxable income up to £5,500, and thereafter by $\frac{1}{150}$ th of a penny up to a maximum of 8s. 2d. in the pound for earned income. On unearned income these rates are increased by one-third. To obtain the additional revenue it is proposed to increase the basic rate by 4d., making it 2s. in the pound, and to continue the graduation beyond £5,500 at $\frac{1}{100}$ th of a penny, instead of $\frac{1}{150}$ th of a penny as at present, up to a maximum of 8s. 7d. in the pound reached at £7,900. At the same time the amount of the general exemption will be reduced from £210 to £200.

Under the new rates a man with a wife and two dependent children earning \$1,200 would be free of income tax; earning \$1,600 a year would pay \$20.40; earning \$2,400 would pay \$110.40; and earning \$4,000 would pay \$330.40. In addition, everyone in New Zealand pays the social security tax of 1s. in the pound on all earned and unearned income. This tax works out as follows: income \$1,200, tax \$60; income \$1,600, tax \$80; income \$2,400, tax \$120; income \$4,000, tax \$200.

In regard to companies, the basic income tax rate is to be raised from 1s. to 2s. in the pound to bring it to the same level as proposed for individuals.

The rate of graduation, however, is to be reduced from the present rate of $\frac{1}{100}$ th of a penny in the pound up to £5,500 and $\frac{1}{150}$ th of a penny thereafter up to a maximum of 7s. 6d. in the pound, to a rate of $\frac{1}{125}$ th of a penny in the pound up to a maximum of 7s. 11d. reached at £8,875. Companies also pay the social security tax of 1s. on each pound of "chargeable income"—i.e., income subject to income tax.

To obtain the £200,000 from death duties, it is proposed to increase the scales for estates, succession, and gift duties by approximately 20 per cent, discontinue the present exemption of £1,000 for life insurance monies, and slightly reduce the present exemption for estates passing to widows.

BEER DUTY

In 1934 the beer duty was reduced from 1s. 6d. per gallon to 1s. 3d. per gallon, due to the drop in revenue from this tax resulting from a fall in consumption. The new rate of 1s. 9d. per gallon is expected to yield £300,000 and probably will be absorbed by the brewers and retailers.

GASOLENE TAX

During the last six years the consumption of gasoline has increased from 55,000,000 gallons to 102,000,000 gallons and during the same period the tax on gasoline has been increased from 8d. to 10½d. per gallon. It is now proposed to further increase this tax by 4d. to 1s. 2½d., approximately 24 cents Canadian, per gallon. The retail price of gasoline is fixed by the Government in most districts, and top-grade fuel in urban districts with the new tax costs 2s. 4d. per gallon and in many rural areas 2s. 10d. per gallon.

SOCIAL SECURITY

It is proposed to transfer to the social security account the surplus on last year's operations of the general account, amounting to £809,000. By a new vote £2,000,000 will also be transferred from the consolidated account to the social security account. The chief source of revenue for social security will come from the tax of 1s. in the pound on all earned and unearned income of individuals and companies. This tax is estimated to produce £8,500,000 this year and with the £32,320,000 estimated income from taxation makes a total of £40,820,000 to be raised by taxes this year. Based on the total taxation for 1935-36 of £25,477,000, this year's figure represents an increase of approximately £15,000,000 or 60 per cent.

PUBLIC WORKS

In announcing the public works estimates, the Prime Minister stated the policy of the Government as follows:—

For the reasons I have already given, and to carry towards completion the large works already in hand, the public works program for the current year, apart from defence works, is approximately of the same magnitude as last year. It may be said that we have reached the peak so far as public works is concerned, and our job now is to concentrate on tapering the magnitude of the program down to a more economic level by transfer of men to the primary and secondary industries

The public works fund estimates for the current year are as follows:—

Railway construction and improvements.. . . .	£5,230,000
Highways and roads.. . . .	7,000,000
Public buildings	2,150,000
Land settlement, development and improvement.. . . .	3,639,000
Hydro-electric development.. . . .	1,840,000
Telegraph and telephone extensions	600,000
Defence	2,200,000
Other works (aerodrome extensions, lighthouse works, development of tourist resorts, plant, material, etc.).. . . .	1,258,000

\$23,917,000

This record figure of £23,917,000 compares with a public works vote of £19,348,000 in 1938-39, £15,366,000 in 1937-38, £10,297,000 in 1936-37, and £6,665,000 in 1935-36. This year's program will be financed to the extent of £4,855,000 from taxation, disposal of produce from the land, electricity sales, and miscellaneous sources. The balance of £19,062,000 will be provided by loans.

ONEKAKA IRON AND STEEL INDUSTRY

As part of the policy of developing local industries, the Prime Minister referred to the state iron and steel industry which is to be established at Onekaka in the South Island of New Zealand. Messrs. H. A. Brassert & Co. Ltd. of London, England, have been engaged in a survey of ore and coal deposits and have now reported favourably on the scheme. The survey shows that there is sufficient iron ore and iron sand in the country to supply the industry for 50 years, and it is expected that further investigations will disclose additional deposits. Sufficient coal of suitable quality is also available, and it is estimated that the proposed works will be able to supply steel at a price comparable with that being paid to-day. When the plant comes into full operation, direct employment will be provided for 1,500 men at the steel mills and for an additional 500 men at the coal mines.

The work of designing the plant and supervising construction, which is to start at once, has been placed in the hands of the firm mentioned. The whole scheme calls for an outlay of some £5,000,000 in plant, labour, and equipment. Three modern rolling mills will be built: No. 1 mill for heavy sections and No. 2 and No. 3 mills for lighter sections. The capacity of No. 1 mill will exceed 100,000 tons per annum and the other two mills will have a combined capacity of 60,000 tons per annum.

PUBLIC DEBT

During the past financial year the provision of funds for expenditure on public works and other capital purposes resulted in a net increase of £13,768,930 in the public debt, to the total of £303,970,272. On March 31, 1939, this debt was domiciled as follows: London, £156,853,016; Australia, £879,600; New Zealand, £146,237,656.

The money for housing and most of the borrowing for public works and other purposes was obtained from the Reserve Bank. The Government feels that this method of financing is not entirely satisfactory and for this reason in May, 1939, a local Government loan of £4,500,000 was raised. It is proposed in the current year to inaugurate a savings scheme by which small investors will be able to invest in Government loans. Each individual's contributions will be accumulated in a separate National Investment Account in his own name, and the Post Office Savings Bank will probably handle the details of the scheme.

UNITED KINGDOM MARKET FOR CANNED CHICKEN

CANADIAN GOVERNMENT TRADE COMMISSIONERS IN THE UNITED KINGDOM

London, August 18, 1939.—According to a survey of the British market by the Canadian Trade Commissioners in the United Kingdom there is a fair demand for canned chicken in this market, although the volume of trade is not at present large. Of the various types of canned poultry and products available the most widely used is canned chicken breasts. This has a good distribution in the retail trade in all parts of the country and is stocked by approximately 50 per cent of the better-class grocery shops of Great Britain. Canned whole chicken is also fairly generally obtainable but, owing to price, its sale is restricted largely to the higher class retailers. Canned turkey, whole or boneless, is prac-

tically unknown. While canned duck is obtainable in certain specialty shops the trade is extremely small. On the other hand, chicken pastes, such as "ham and chicken," "veal and chicken," etc., are popular, as are all meat pastes, and have an extensive sale in all classes of retail shops.

DOMESTIC PRODUCTION

There is a substantial production of canned whole chicken and chicken breasts in the United Kingdom and a number of factories are engaged in this trade.

Production fluctuates considerably, however, according to the market for fresh-killed poultry. During periods of high prices most of the available supplies of young birds go on to the fresh market, where better prices are returned than is possible for canners to pay. There is reported to be a development towards large-scale incubators and battery production of chickens especially for the canning trade, but it is understood that at present most canners are dependent on the farmer-producer for their supplies. This condition must obviously be unsatisfactory, as a steady flow of young birds to the factory cannot be depended upon at competitive prices.

IMPORTS

In addition to home production there has been for many years a fluctuating importation of canned chicken from foreign and Empire countries. During the past two years imports by countries have been as follows:—

United Kingdom Imports of Tinned Poultry

	1937	1938
	Cwts. of 112 lbs.	
Total	4,591	4,409
Ireland . . . . .	...	2
Canada	971	1,069
Hungary	75	14
Yugoslavia	84	...
Poland	1,536	1,996
Netherlands	9	2
Lithuania	1	107
Denmark	10	6
France	3	8
Soviet Russia . . . . .	...	265
Japan	1,894	921
United States	7	8
Others	1	11

Most of the imports referred to are composed of canned chicken breasts (or boneless chicken) and canned whole chicken. Whereas much of the pack put up in the United Kingdom is in glass containers, which still receive a preference by the customer, the imported product is almost invariably packed in tins and it is thought that the whole trade will gradually swing in this direction owing to the price factor and the better keeping qualities of chicken packed in tins as opposed to glass.

PACKS

Chicken breasts and boneless chicken are more popularly packed in 7- or 8-ounce tins and occasionally 1-pound tins, while whole chickens are put up principally in tins often conforming to the shape of the bird. The net contents of the latter range from 1 to 3 pounds. In view of the fact that the law does not require net weight of contents to be shown, the customary practice is to omit this information, although sometimes the untrussed weight of the chicken is given.

Both chicken breasts and whole chicken are usually packed in jelly. Some well-known brands indicate on their labels that pure chicken jelly is used, but it is understood that in a good many cases aspic is added. In the latter event, however, the fact is preferably not mentioned, since sometimes it has a retarding effect on sales as many persons are not familiar with aspic jelly and think its use indicates an inferior product. Consequently it is undesirable from a marketing point of view for labels to indicate the type of jelly used unless it is pure chicken.

There appears to be a growing demand in many parts of the country for canned boneless chicken largely of white meat, which is stated to be becoming popular for the picnic or snack trade. Most of this chicken is in 7- or 8-ounce size and retails at from 1s. to 1s. 3d. per tin, with a consequent import price of from 8s. 6d. to 9s. 6d. per dozen. Canned whole chicken, on the other hand, must continue to be a luxury trade owing to its relatively high price. Whole chickens, which are roasted before being canned, are an expensive product as compared with fresh chickens, one popular English pack retailing at 3s. 6d. for the 1-pound size. There are a number of important brands of whole chicken (roasted) in jelly on the market and these are available at duty-paid delivered prices ranging from 27s. per dozen for the 1-pound net size. Even at this price, which is reported to be the figure quoted by Polish shippers, the product is too expensive for any but the better-class retail trade.

In addition to the products already mentioned, there is some market for chicken meat put up in 7-pound tins. This is composed principally of the meat from the legs and wings of older birds and is sold largely to meat paste manufacturers. Prices vary considerably and they are, of course, much lower than for whole chicken or boneless, being generally in the vicinity of 1s. to 1s. 6d. per pound.

SALES CHANNELS AND CUSTOMS DUTIES

The import trade in canned chicken follows the customary channels of all canned goods in that the overseas manufacturer is usually represented by a broker in London, Liverpool, or some other important centre. The broker who handles the line exclusively for the territory sells on a brokerage or commission of about 3 per cent to import merchants or wholesalers. Most of the canned chicken at present being imported is sold under buyers' own labels, the custom being for each large wholesaler-distributor to have a "house" brand which he favours above others. However, this is a matter of arrangement and is not essential to the trade.

Payment is normally cash on arrival of goods, although terms are often demanded with the products of a new factory until quality is determined.

Foreign canned chicken upon importation into the United Kingdom is subject to a customs duty of 3d. per pound, whereas Canadian and other Empire chicken is free of duty providing the goods are accompanied by the necessary certificate of origin proving Empire content.

In the trade it is considered that present United Kingdom and overseas sources of supply are quite adequate to meet the requirements of the market. Therefore further suppliers are not being sought. At the same time there are indications of an expanding market for boneless chicken, especially chicken breasts, in small tins. Although Canada at present supplies nearly 25 per cent of the total imports there might be room for some reasonable expansion in this trade.

CROP CONDITIONS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, August 22, 1939.—Throughout almost the whole country the weather during July and the early part of August was unsettled. Heavy rains fell in most districts, seriously interfering with haymaking and other farm work. Considerable damage was caused to the hay crop and in many places the grain crops were laid by the heavy rains. On the whole, however, the soil required the moisture, which was beneficial to the grain, potato, and root crops, and to pastures and live stock.

WHEAT

At the end of July wheat had made good progress and was generally vigorous and healthy, although generally the crop was rather thin. In most districts the yield is expected to be below normal. A forecast puts the total production at about 90,000 long tons as compared with 104,000 in 1938 and 112,000 in 1937. The area under the crop is estimated at 81,000 acres, or 11,000 acres less than in 1938, although this and other acreage figures are subject to revision.

BARLEY AND OATS

The barley crop made good progress during July, but in nearly all districts a decreased yield is expected.

At the end of July the oat crop generally looked vigorous and healthy, although straw is short in several districts as a result of the drought in June. In almost all districts a decreased yield of from 5 to 25 per cent is anticipated. The area under oats is 774,000 acres, which is 24,000 acres less than last year.

POTATOES

Weather conditions lately have suited potatoes admirably. Given continued favourable weather conditions, it is anticipated that a satisfactory crop will be lifted. Crops are above the average in some districts and below in others; on the whole an average yield may be expected. The estimated acreage is 134,000, or 1,000 acres less than last year.

TURNIPS, SWEDES, AND SUGAR BEETS

As a result of the drought during June the crop of turnips and swedes is likely to be much below the average. The area under crop is 309,000 acres, or 13,000 less than that of 1938.

The growth of sugar beets has been highly favourable. In nearly every district the crop is strong and healthy. The area under crop is 7,500 acres, almost the same as last year.

HAY

The extremely wet weather in July had an adverse effect upon the hay crop and the task of securing it was difficult and protracted. At the end of July much of the hay was still unharvested and discoloration was taking place. In nearly all districts a heavy decline in yield from the average may be expected and the quality is lower than usual. The area under hay is much the same as last year: 179,000 acres under permanent grass and 385,000 in rotation grasses.

PASTURES

Pastures improved greatly during July as a result of the heavy rains after the June drought. Grazing cattle are consequently thriving well. Dairy cows have made satisfactory progress and milk yields have been generally up to the average. Hill sheep also made good progress and lambs are reported to be looking well.

HAY CROP AND MARKET CONDITIONS IN THE NORTH OF ENGLAND

BLAIR BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, August 15, 1939.—Throughout July and the first week in August the rainfall was heavy in the North of England, and the conditions under which the hay crop was taken were poor. July was counted the wettest month since 1937 and the wettest July in 67 years.

Reports from Lancashire, Cheshire, and Yorkshire, the principal hay-growing counties in the north, indicate the first crop clovers and mixtures to be slightly below average, 70 per cent well harvested, and the remainder rain damaged. Meadow hay is also below average, 50 per cent having been rain damaged and the remainder still uncut.

The prospects for the second crop, however, are extremely good, the weather having taken a turn for the better, although this applies more particularly to the southern counties than to the northern. As a result authorities in the trade are encouraged to estimate the total production at 70 to 75 per cent of normal, which is a better yield than was at first expected and marks a slight advance on the figure given this time last year.

Since the first week in July receipts of hay from Canada have been falling off, largely owing to the difficulties in obtaining freight space. At the moment weekly arrivals in Manchester and Liverpool are very light. In addition, the English farmers being occupied with other field crops, there is very little new crop domestic hay on offer. This situation has caused prices of all classes of Canadian hay to advance about 5s. per long ton on spot, but it is fully expected that the increase will disappear when the market readjusts itself towards the end of this month. The price mentioned for Canadian mixtures for autumn shipment is in the neighbourhood of 75s. per long ton c.i.f. All English old crop has been cleaned up. The market, therefore, from the Canadian point of view compares favourably with that of this time last year, and shippers can reasonably expect to do at least as well as in 1938.

POINTS FOR EXPORTERS TO IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, August 12, 1939.—In 1922 Ireland, an island comprising over 20,000,000 acres, was divided economically and politically into the Irish Free State and Northern Ireland. In 1937 the Irish Free State adopted a new constitution and name, calling itself "Ireland" ("Eire" in Gaelic), but remaining in the British Commonwealth of Nations. It comprises the provinces of Leinster, Munster, and Connaught, and three counties of the province of Ulster: Donegal, Cavan and Monaghan—twenty-six counties in all (85 per cent of the total area of Ireland). Northern Ireland consists of six counties of the province of Ulster: Antrim, Down, Armagh, Fermanagh, Tyrone, and Londonderry, also the county boroughs of Belfast and Derry. It is for all practical purposes a part of the United Kingdom, but Eire is a separate self-governing dominion with its own customs tariff.

POPULATION

Northern Ireland has a population of some 1,279,753, and that of Eire, according to the 1936 census, is 2,965,854. Despite the restrictions on immigration into the United States, the population of Eire is diminishing slowly, chiefly because of the exodus of young people seeking employment in the United King-

dom and because of the tendency of the agrarian population to marry late in life. Agricultural depression and the attractions of town life tend to augment the overcrowding of Dublin and other cities. A hundred years ago the rural population of Ireland was as 5 to 1 of the town population, but now the ratio is about equal.

The chief cities in Eire, with their populations, are: Dublin (county borough), 500,000; Cork, 81,000; Limerick, 41,000; Waterford, 28,000; Galway, 18,000; Sligo, 13,000.

INDUSTRIAL DEVELOPMENT IN EIRE

Following the land annuities dispute with the United Kingdom, a new policy of industrial development was introduced in Eire and pursued vigorously by the Fianna Fail Government until there is scarcely a product of commercial value which is not now being manufactured or assembled locally under the protection of a high tariff, import quota, or free-of-duty import licence covering the required raw materials.

The farming community is being encouraged to change from pasture to tillage in order to produce foodstuffs and cattle feed, and imports of finished products and foodstuffs have been steadily diminishing. Following the enactment of the Agricultural Produce (Cereals) Act of 1933, the number of grain-milling concerns in Eire increased from about 27 flour mills, all working half-time or even less, and 67 wheat mills in 1931 to 36 large flour mills, many of which work three shifts per day, and 280 wheat mills in full production in 1936, or a total of 316 mills as against 94 in 1931. Imports of flour in the same period fell from 1,351,000 sacks of 280 pounds to 59,682 sacks.

In 1938, however, a three-year trade agreement (the tariff benefits under which are extended to Canada by the Canada-Irish Free State Agreement) was concluded between the Governments of the United Kingdom and Eire, which permits of a certain amount of competition against the new Irish industries. A Prices Commission in Dublin, hearing evidence of United Kingdom exporters and Eire manufacturers, affecting a long list of specified commodities, will in due course give decisions respecting any necessary adjustments to the tariff.

IMPORTS INTO EIRE

The following table shows the value of imports into Eire from the chief supplying countries in 1938, with comparative figures for 1932 and 1937:—

Country	1932	1937	1938
Total.. . . .	£42,574,222	£44,108,332	£41,404,903
Great Britain	28,869,206	21,470,567	20,315,842
Northern Ireland.. . . .	3,759,270	577,561	577,561
Australia	1,243,555	1,701,740	1,026,375
Canada.. . . .	801,900	1,905,455	1,552,386
India	135,402	1,786,385	1,619,275
Germany	1,302,527	1,431,389	1,453,223
United States	1,320,211	2,906,773	4,704,559
Belgium.. . . .	691,651	1,242,531	1,030,088
Argentina	1,852,460	2,259,640	1,411,677
Netherlands	433,583	532,456	471,570
Sweden	434,652	556,047	468,450
Finland	84,413	381,305	419,609
France	182,153	437,098	557,170

The values of exports for the three years 1932, 1937, and 1938 were respectively £1,137,304, £615,183, and £363,119. It will be noted that the chief alterations in the foregoing table are the large gains by the United States and the losses of Argentina, Canada, and Australia. This is accounted for almost wholly by wheat exports—the subsidized Pacific wheat of the United States having displaced much of the wheat formerly obtained by Eire from the other three countries.

As in past years, and despite efforts to find alternative markets, a large proportion of the exports from Eire still goes to the United Kingdom, and, as

can be seen from the above figures, most of the imports into Eire are from that source also.

DIRECT IMPORTS FROM CANADA

Following is a comparative table showing the principal imports from Canada into Eire in 1938, with comparative figures for 1937:—

Commodity	Unit	Quantity		Value in £	
		1937	1938	1937	1938
Canned fish . . . . .	..cwt.	699	278	4,586	1,965
Wheat . . . . .	..cwt.	2,529,415	2,344,953	1,459,770	1,076,459
Barley . . . . .	..cwt.	.....	59,993	.....	20,905
Wheaten flour . . . . .	..cwt.	11,688	10,901	9,573	6,818
Photo films and paper . . . . .	.....	.....	.....	12,393	10,069
Fruit pulp . . . . .	..cwt.	2,498	3,529	3,542	5,315
Wire manufactures . . . . .	..cwt.	.....	4,399	.....	4,162
Agricultural implements . . . . .	..number	661	11,292	30,472	1,878
Electrical goods . . . . .	.....	.....	.....	7,975	16,374
Planks and boards . . . . .	..loads	18,964	16,699	94,027	72,857
Manufactures of wood . . . . .	.....	.....	.....	2,436	6,051
Rubber boots and shoes . . . . .	..doz. prs.	461	547	2,409	1,975
Silk hosiery . . . . .	..doz. prs.	3,652	5,163	5,834	8,293
Newsprint . . . . .	..cwt.	268,980	317,690	114,663	137,257
Millboard and strawboard . . . . .	..cwt.	.....	9,208	.....	6,462
Cardboard . . . . .	..cwt.	18,518*	57	12,526*	896
Total imports from Canada . . . . .	.....	.....	.....	1,905,455	1,552,734

* Includes millboard.

It should be noted that the foregoing figures represent direct imports from the Dominion, or imports the origin of which was definitely known to be Canada. A substantial volume of Canadian goods is imported into Eire ex United Kingdom stocks, and these lose their true identity in the trade returns.

IMPORT REQUIREMENTS AND TRADE METHODS

Owing to the increases in domestic industrial production, the market for finished products in Eire is gradually decreasing, but there is a correspondingly increasing demand for machinery and for partly finished articles to be used as materials for local industries or by local assembly plants.

The number of distributors (wholesale as well as retail) who are disposed to buy direct from overseas is increasing, but there is still a large percentage who buy from local agents of or direct from manufacturing firms with stocks or factories in Great Britain, to which country local buyers make periodic visits.

QUOTATIONS

Local buyers are very conservative and are being constantly inundated with new offerings from all parts of the world. They consider, therefore, only those that are put in the simplest form. All quotations should be c.i.f. Irish port and in sterling (not dollars). F.o.b. prices even with rail freights to sea-board and/or freight rates to port of destination, are not sufficient, but should be accompanied by a c.i.f. quotation for a specified small initial order. In addition, some descriptive literature (or preferably a sample, if it is small) should be supplied. It would be an advantage if at the same time a set of half a dozen leaflets and price lists were supplied to the Canadian Trade Commissioner in Dublin with a few samples (not a single sample), especially if these are liable to deteriorate in the course of practical demonstration.

REPRESENTATION

When introducing a product the factory representative makes the ideal salesman, owing to his superior knowledge of the line and of its sales points.

For any other method of introduction an article of outstanding merit or a cut price would be required to make the same impression.

Once the product is introduced, however, the local stockist or manufacturers' representative—the term "commission agent" is applied usually to a book-maker in Ireland—is preferable. As a general rule, therefore, the Eire territory should be reserved for the man on the ground, except perhaps where there is a branch house or when stocks are carried in the United Kingdom and travellers are employed to cover this country. Generally speaking, it is not a good arrangement to allow a United Kingdom agent to include Eire in his territory unless he is prepared to canvass it well. Even a sub-agent in Eire is not as good as separate representation.

Representatives of overseas manufacturers are at present working under very adverse conditions, and their ability to sell rather than the state of their bank accounts should be the criterion of their worth. On the other hand, when selling on commission there is a greater temptation to oversell. The changing sources of supply have forced out of business some merchants who sold (as well as many agents who represented) imported goods; but for the most part the numerous established firms in Eire are solidly established and are adapting themselves to the new conditions. In these circumstances, and as different commodities present different sales problems, it is suggested that the Canadian Trade Commissioner in Dublin should invariably be consulted before an attempt is made to sell initially in this market.

CURRENCY

The currency unit is the Irish pound, which has always been kept at par with the pound sterling and is similarly divided into shillings and pence. English money is freely accepted, although its circulation is decreasing.

IMPORT TARIFF

To keep pace with the changing trading conditions, the tariff of Eire is subject to frequent alterations. Samples sent to representatives, even when rendered valueless as merchandise, are often held to be dutiable. Catalogues and printed matter are dutiable if forwarded in bulk; only one or two should be sent at a time. The tariff includes many items that enter under imperial preference rates of duty; these rates apply to imports from the Dominion. Frequently items may enter at a lesser duty rate if they are unassembled.

PACKING, DOCUMENTATION, AND MARKING OF GOODS

Goods for this market require no special method of packing, as handling facilities are good. When Canadian goods are sold direct or ex stocks United Kingdom they must be accompanied by proof of origin and Empire content, otherwise they may be liable to temporary detention. An original commercial invoice must be produced by importers of goods arriving either by parcel post or by freight. A full trade description of all items must be inserted on the invoice, and the appropriate phraseology descriptive of the tariff item followed as closely as possible. The correct certificate of origin, duly signed by some person in authority in the exporting firm (a clerk will not do) must also be forwarded. Failure to comply with this requirement is the cause of frequent delays in clearing Canadian goods through the customs, and it is urged upon all Canadian exporting firms to forward the correct certificate properly signed. A "made-in-Canada" marking is strongly advisable. Detailed information respecting tariffs, documentation, and packing and marking regulations may be obtained on application to the Department of Trade and Commerce, Ottawa.

PURCHASES OF MINES' STORES IN SOUTH AFRICA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, July 22, 1939.—The annual consumption of mines' stores in the Union of South Africa is expanding rapidly and has shown large increases, particularly during the past six years. Purchases of mines' stores rose from £22,991,184 in the calendar year 1934 to £31,615,715 in 1937, and reached the record figure of £33,740,630 in 1938. The secondary industries in the Union have succeeded to a remarkable degree in keeping pace with the rapid mining development and are now supplying a considerable proportion of the mines' requirements. If this trend continues, there is every prospect that local manufacturers will contribute a larger quota in the future.

Secondary industries and commercial undertakings, which have appeared in increasing numbers in the past few years, have largely sprung up as a result of direct or indirect demand created by the mining industry. This industry is conducted on such a large scale that it is the focal point of the commercial, industrial and general economic life of the country. The Government of the Union of South Africa also derives a large share of its revenue from the mines, through direct taxation, railway earnings, customs duties, and various other channels.

It is expected that production of gold in the Union of South Africa in 1939 will reach £90,000,000. This will be an increase over 1938 production which was valued at approximately £86,636,000. Three additional mines should, according to schedule, add their quotas to the present producers before the end of 1939. Present established industrial enterprises and those in the process of formation, therefore, may look to the future with confidence in view of the further mining expansion now under way.

TRANSVAAL GOLD MINES

Transvaal gold mines produced 12,156,629 fine ounces of gold valued at approximately £86,636,000 in 1938, an increase over 11,740,891 fine ounces amounting in value to £82,601,000 in 1937. The producing mines of the Witwatersrand and Heidelberg areas milled 53,834,150 tons of ore in 1938 as compared with 50,725,750 tons in the previous year. A total of £17,207,368 was paid out in dividends in 1938, a slight increase when compared with £17,015,866 in the preceding year. The wages and salaries bill amounted to £28,025,367 and £25,895,358 respectively in the two years. In May, 1939, there was a total of 53,255 Europeans and 418,801 natives and coloured employed in the mines. The value of stores consumed by the Transvaal gold mines was placed at £31,156,293 in 1938 and £28,410,057 in 1937.

PURCHASES BY COAL, DIAMOND AND OTHER MINES

Coal mines in the Union purchased stores valued at £1,437,548 in 1938 as against £1,385,073 in 1937. Stores consumption of the diamond mines increased from £320,771 in 1937 to £362,442 in 1938. Reflecting the increased interest in other minerals such as chrome and manganese, purchases by mines other than gold, coal and diamonds amounted to £782,020 in 1938 as compared with £664,146 in 1937.

SOURCES OF SUPPLY FOR MINES' STORES

The Union of South Africa and Rhodesia furnished stores for mine consumption valued at £22,275,265 or 68·4 per cent of the total in 1938. This figure is an increase both in value and percentage over £20,182,173 (66 per cent) in 1937. Mines' stores imported were valued at £10,449,778 (31·6 per cent) in 1938 and £10,479,576 (34·0 per cent) in 1937.

There are 153 items in the list of mines' purchases, and in all cases but nine South African and Rhodesian producers contributed a share of the total. The products entirely imported were coal-cutting machines, dholl, rice, mercury, transformer and switch oils, paraffin, Baltic timber, Oregon and pitch pine, and zinc dust. Conversely, on the list in 1938 there were 38 items which were furnished entirely from domestic sources to the exclusion of imported supplies. Manufacturers in the Union of South Africa and Rhodesia have made rapid strides in meeting the mines' demands for such products as iron and steel, lamps and spares, paints, building materials, piping, explosives, chemicals and rock drills. These items were all formerly imported from overseas.

The principal items forthcoming from local sources include: carbide valued at £275,271 in 1938 and £259,389 in 1937; cement, £377,114 (£295,848); coal £1,430,821 (£1,377,576); gelignite and gelatine dynamite, £2,342,358 (£2,189,622); dynamite and ligdyn, £285,861 (£159,121); lime, £334,187 (£309,853); ironmongery (bolts, nuts, screws, nails, etc.), £206,561 (£169,549); iron (bar, sheet, galvanized, etc.), £193,630 (£177,062); machinery and machinery tools, £482,359 (£477,882); machinery spares, other than electrical, £398,198 (£343,758); iron and steel piping, £649,432 (£705,047); rails, crossings, metal sleepers and fittings, £643,407 (£601,956); tube mill liners, £256,980 (£213,131); steel balls, £339,078 (£247,569); rock drills spares, £363,715 (£351,780); wire rope, £502,464 (£405,770); rock drill steel, £221,207 (£165,935); structural steel, £294,855 (£264,666); timber (poles, lagging and pack mats), £1,592,936 (£1,383,164). Practically the entire supply of food and provisions, electric power and light, compressed air and water, purchases of which involve large amounts, were obtained from South African firms.

There are, and undoubtedly will continue to be, many items purchased by the South African mines which will not be available from sources within the country. Such equipment as electrical machinery, capped fuses, hospital and ambulance requisites, machinery and machine tools, pipe fittings, rock drills, cyanide, sheet steel, timber, hand tools and trucks and spares, were mainly imported from overseas in 1938. Cyanide is now being produced in South Africa and imports will doubtless decrease gradually. The same situation will apply to iron and steel imports if the projected new steel plant at Vereeniging comes into existence. An increased demand for semi-manufactured products and raw materials from overseas sources may reasonably be expected to arise for use in the secondary industries.

PURCHASES OF INTEREST TO CANADIAN EXPORTERS

Items which it is felt may be of interest to Canadian exporters are listed below, the value of purchases by the mines in 1938 being shown together with the 1937 value within parentheses. The chief supplying countries have been indicated as a guide, but this information is only approximately accurate:—

Belting (including Laces, Fasteners, and Cement).—£143,669 (£115,544): South Africa, United Kingdom, United States, Canada.

Brushware.—£26,393 (£22,935): South Africa, United Kingdom, Canada, United States.

Cyanide.—£555,427 (£526,505): United Kingdom, Czecho-Slovakia, Canada, South Africa, Germany.

Electrical Machinery.—£2,129,623 (£2,227,405): United Kingdom, United States, Germany.

Hosing (except Fire Hose).—£163,468 (£154,888): South Africa, United Kingdom, United States, Canada.

Bolts, Nuts, Washers and Rivets.—£204,694 (£179,131): South Africa, United Kingdom, Belgium, Germany, Holland, United States, Canada.

Screws and Nails.—£41,824 (£43,969): South Africa, United Kingdom, Sweden, Belgium, United States, Canada.

Machinery and Machine Tools.—£1,800,859 (£1,906,328): United Kingdom, United States, South Africa, Germany.

Anti-friction Metals.—£33,854 (£34,429): United Kingdom, United States.

Packing.—£71,881 (£65,665): United Kingdom, South Africa, United States.

Paints, Driers, Etc. (excluding Tar).—£111,658 (£96,559): South Africa, United Kingdom, United States.

Pipe Fittings.—£425,793 (£392,478): South Africa, United Kingdom, Germany.

Iron and Steel Piping.—£935,902 (£940,312): South Africa, United Kingdom, Czechoslovakia, Germany.

Steel Balls.—£349,070 (£254,180): South Africa, United Kingdom, Belgium, United States, Germany, Canada.

Rock Drills.—£150,214 (£133,346): United Kingdom, United States, South Africa, Sweden.

Screening (including Mill Screening).—£36,649 (£33,708): South Africa, United Kingdom.

Rock Drill Steel.—£448,074 (£407,301): South Africa, Sweden, United Kingdom.

Timber Deals.—£257,683 (£230,038). As used in South Africa, this term denotes Baltic timber products.

Timber, Oregon and Pitch Pine.—£645,066 (£597,083): Finland, United States, Russia, Canada.

Timber, Other.—£350,015 (£330,578): South Africa, United States, Finland, Russia, Sweden, Canada.

Hand Tools.—£250,180 (£228,690): United Kingdom, United States, South Africa, Canada.

Fencing, Netting, Gates and Metal Post Wire.—£26,533 (£23,323): South Africa, Belgium, United Kingdom, Germany, Canada.

Zinc and Zinc Discs.—£50,842 (£47,597): Belgium, United Kingdom, Canada.

Zinc Dust.—£45,261 (£38,494): United States, United Kingdom.

PROVISION TRADE IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Port of Spain, Trinidad, July 21, 1939.—The population of this territory, totalling one and one-third millions, consists mainly of agricultural labourers or general labourers of African or East Indian extraction with very small incomes. Most of the land in the West Indies is devoted to the production of cash crops to the neglect of subsistence crops, although it is doubtful if foodstuffs either in type or quantity could be produced in sufficient volume to reduce substantially the native population's dependence on imported foodstuffs.

In Trinidad it is common practice for a labourer's family to have one large meal a day. This consists often of stewed rice with salt fish or salt meat and seasoned with peppers. Tea is a common beverage, with which condensed milk is used. Practically every item of this meal or similar meals is imported. This is the basis for the volume market in the provision trade. Foodstuffs entering this trade must have two characteristics: they must be cheap and capable of being retailed in pennyworth quantities and they must be reasonably resistant to the humid tropical climate.

RETAIL DISTRIBUTION

General retail distribution is through numerous small provision shops operated by Chinese, East Indians, Portuguese, or those of African descent. There are perhaps 2,000 of these shops in Trinidad and from 500 to 1,000 in Barbados and British Guiana. Their average capital investment is between \$200 and \$500, but their volume of trade is usually extended beyond the limits warranted by their capital through credits obtained from provision wholesalers and is frequently equal to the capital investment.

In such shops small cuts of dried salt fish, two or three smoked herring, a few unsweetened biscuits, a dab of butter, a small piece of cheese, four or five small potatoes, or a small loaf will be retailed for a penny per item.

WHOLESALE DISTRIBUTORS

Serving these shops are approximately twenty-five to thirty provision wholesalers located in each of the larger centres of Port of Spain, Trinidad, Bridgetown, Barbados; and Georgetown, British Guiana, with lesser numbers in the smaller island markets. These merchants operate without the assistance of information from any credit association or bureau. Competition is very keen, provisions being sold frequently at a loss, as in these markets of limited size there is a quick trade reaction to over-supply. This and the rapid deterioration of provisions are among the main problems of the local merchant.

COMMISSION AGENTS AND TERMS

Provisions are purchased by wholesale merchants from exporters through local commission agents, who are about equal in number to the wholesale merchants in the larger markets. The products are usually consigned direct to the merchant on a basis of sight draft or 15-30 days sight D.O.A. In the smaller islands, and to some extent in the larger markets, provision merchants may act in the capacity of agents as well as distributors.

HIGH-CLASS GROCERY IMPORTS

In addition to the above trade, there exists the moderate requirements of the European and more affluent sections of the population whose homes are fitted with electric refrigerators and who deal with the three or four high-class groceries in each market and purchase practically the same products as would be sold to a middle-class family in a temperate climate.

These high-class grocers deal either through commission agents, indent houses, or direct with exporters.

CANADA'S PARTICIPATION IN THE PROVISION TRADE

Canada's association with the provision trade extends back into the nineteenth century when fish was exported in exchange for British West Indian products. The desultory trade of the early schooner days has developed into a stabilized exportation of provisions which still comprise the main section of Canada's exports to the British West Indies. Supported by regular fortnightly sailings of the Canadian National Steamships and supplemented by sailings of vagabond boats and two other lines, the scope of this trade has broadened to include a small or large share in practically every type of provision mentioned in the following list of foods and feedstuffs which were imported into the British West Indies (Eastern Group) and British Guiana in 1937, the principal exceptions being rice, edible oils, beans and peas, and maize:—

Foodstuff and Feedstuff Imports in 1937

	Total \$	Trinidad \$	British Guiana \$	Barbados \$	Northern Islands \$
Wheat flour	4,404,255	2,082,185	1,084,108	451,977	785,985
Rice	1,556,946	895,339	14	441,921	219,672
Fish, cured or salted	1,104,188	403,619	193,958	306,883	199,728
Condensed milk	810,589	579,645	128,624	86,980	15,340
Pickled meats	739,779	234,713	163,210	234,784	57,072
Butter and substitutes	703,525	329,186	139,342	157,756	77,241
Meats, smoked or cured	372,502	214,786	33,440	89,793	34,483
Unmanufactured tobacco . . .	359,582	232,000	70,045	33,547	23,990
Beer and ale	355,139	107,254	143,652*	68,980	35,280
Edible oil	347,979	75,301	18,322	160,694	93,662
Beans and peas	329,332	137,828	109,376	69,849	12,259
Live animals for food	325,873	307,284	.....	14,817	3,772
Oilseed cake and meal	313,537	88,117	20,591	186,441	18,388
Potatoes	268,737	153,405	150,912	50,448	13,872

* Beer, ale, stout and porter.

Foodstuff and Feedstuff Imports in 1937—Concluded

	Total \$	Trinidad \$	British Guiana \$	Barbados \$	Northern Islands \$
Oats.. . . .	264,441	96,242	39,400	116,625	11,174
Canned fish.. . . .	242,739	116,926	62,338	43,747	19,728
Tea.. . . .	231,642	95,497	41,149	80,851	14,145
Whisky.. . . .	228,045	101,447	45,978	40,982	39,638
Cheese.. . . .	215,455	123,797	49,006	20,140	22,512
Cornmeal.. . . .	202,939	18,182	11,511	89,227†	84,019
Confectionery.. . . .	199,052	90,229	45,061	28,929	34,833
Canned meats.. . . .	176,854	92,712	20,900	52,905	20,337
Onions.. . . .	174,357	71,143	41,746	44,510	16,958
Other animal feedstuffs.. . . .	161,249	63,035	10,854	76,248	11,112
Meats, frozen or chilled.. . . .	150,850	102,597	4,122	41,716	2,515
Biscuits.. . . .	134,827	35,862	20,707	16,065	62,193
Fresh fruits.. . . .	122,448	35,678	26,166	55,809	4,795
Lard and lard substitutes.. . . .	117,862	9,896	5,089	38,596	64,281
Refined sugar.. . . .	91,528	6,681	4,981	13,593	66,273
Canned vegetables.. . . .	62,206	33,545	19,821	6,028	2,812
Canned fruit.. . . .	53,899	23,194	12,979	13,497	4,228
Maize.. . . .	34,831	26,172	341	1,200	7,118
Jams and marmalade.. . . .	34,460	19,806	3,773	7,704	3,177

† Maize or cornmeal.

CANADA'S SHARE OF THE IMPORT TRADE

Approximately one-third of the total imports of this territory consists of provisions. The total value of such imports into the main markets and their distribution according to countries of origin, as shown in the appended table, indicates that Canadian products are predominant in the Northern Islands. This is due to the direct calls made at the small island ports by the Canadian shipping services. A smaller percentage of the total provision trade is accorded to Canada in the larger markets of Barbados, Trinidad, and British Guiana, which are served by the additional regular sailings from the United Kingdom, the Continent, the United States, and South America.

Barbados imports the smallest percentage of Canadian provisions due to three or four reasons, among which is the fact that there are heavy imports of dried salt fish from Newfoundland, linseed cake meal from the United States, and edible oils from France as compared with the quantities of these products imported by the remaining markets. Moreover, in Barbados customs valuation is on an f.o.b. basis as compared to a c.i.f. basis in Trinidad and British Guiana, and this feature is of considerable importance in respect to the high freight costs for bulky products imported.

British Guiana, next to the Northern Islands, accords the largest percentage of the provision import trade to Canada, due mainly to the high preferential tariff rates in force in that market as compared to those in the other sections of the territory.

Distribution of Imported Foodstuffs According to Countries

	Total Imports \$	From Canada \$	%	From United Kingdom \$	From Other Empire Countries \$	From Foreign Countries \$
Trinidad:						
1937.. . . .	9,076,947	2,226,010	24.5	1,386,420	2,174,084	3,290,433
1936.. . . .	7,701,475	1,827,562	23.7	1,590,175	1,530,263	2,753,475
1935.. . . .	6,463,011	1,507,552	23.3	1,476,509	1,386,669	2,092,281
Barbados:						
1937.. . . .	3,745,248	603,139	16.1	884,064	1,035,547	1,219,497
1936.. . . .	3,445,555	599,481	17.3	850,392	985,204	1,010,476
1935.. . . .	3,346,651	541,185	16.4	773,673	991,766	1,040,025
British Guiana:						
1937.. . . .	3,330,612	1,096,092	32.9	1,246,577	348,215	639,728
1936.. . . .	2,794,323	863,517	30.9	1,081,500	350,121	499,185
1935.. . . .	2,859,445	753,118	26.3	1,175,832	369,002	561,493
Northern Islands:*						
1937.. . . .	2,568,158	774,424	35.4	756,825	522,340	377,904
1936.. . . .	2,239,073	762,921	34.0	724,430	437,779	315,422
1935.. . . .	2,114,236	704,385	33.1	670,166	427,569	312,077

* Exclusive of inter-island trade.

PRINCIPAL PRODUCTS IMPORTED FROM CANADA

The values of the principal commodities imported into this territory are listed on pages 495 and 496 and the following brief comments are offered on such products as are obtainable from Canada. The information given is not detailed, as many of the items have been the subject of full reports which are listed at the end of this report.

FLOUR

Flour is Canada's major export to this territory, 56.7 per cent of the total flour imports in 1937 into Trinidad, Barbados and British Guiana and 82 per cent of the flour imports into the Northern Islands being of Canadian origin. The remainder was largely from the United Kingdom and Australia.

The flour trade can be divided roughly into two sections; the baking trade, which purchases Canadian hard wheat baker's patents almost exclusively, and the local shop trade, which, in addition to Canadian hard wheat flour, deals in cheap soft wheat or blended flours obtained from the United Kingdom and Australia.

All the large Canadian mills are represented in this territory, as well as a fair number of the smaller mills. At present the only opportunity for expanding the sale of Canadian flour lies in the shop trade, and this depends on Canadian firms being able to supply good white, low-priced flour which can compete with United Kingdom and occasional Australian imports.

Flour is imported in new machine-sewn cotton bags of 98 pounds, quotations being usually c.i.f. per two 98-pound bags.

CURED, SALTED AND PICKLED FISH

Dry Salted Codfish.—Codfish is the most important salt fish product imported from Canada. Trinidad is the major market, as Barbados is rendered unattractive due to consignment shipping from Newfoundland. The British Guiana market prefers pollock, which is regarded as having a more lasting cure than codfish and capable of being carried on long trips to the camps in the interior. The Northern Islands provide a moderate market for codfish, but competition of low-priced Newfoundland codfish transhipped from Barbados limits the volume of sale.

While soft-cured shore fish are preferred by the large shops in Port of Spain and the small towns in Trinidad, experience has proven that medium-cured bank fish are more suited to humid tropical conditions, which are prevalent from May to December.

Codfish is packed in 448-pound butts and imported in regular fortnightly shipments via Canadian National vessels.

Due to close co-operation among the leading shippers of codfish, prices are uniform on the Trinidad market, the three sizes being extra large, large and medium. The sale of small Canadian codfish is negligible, as it enters a section of the market usually catered to by the Newfoundland shippers.

Dried Pollock.—This fish is imported largely into British Guiana, where it comes into competition with shipments from the United Kingdom. Large-size pollock is preferred, packed in 4-cwt. casks net.

Smoked Herring.—Trinidad is the most important market for this item, moderate but increasing sales being made in British Guiana and Barbados as well as in the Northern Islands. Trinidad market prefers small herring of 140-160 count to the 18-pound box, while in Barbados an 80-110 count is acceptable.

Pickled Mackerel.—These are imported largely into British Guiana and the Northern Islands, especially St. Kitts, packed in 200-pound barrels net.

Pickled salmon is also imported in large quantities into Trinidad if obtainable during the lenten season.

DAIRY PRODUCTS

Condensed Milk.—There are prohibitive duties against the importation of condensed milk containing less than 9 per cent butter fat. Imports are heavy, especially into the Trinidad market, but Canada obtains very little of the trade due to the pressure of consignment shipments from Holland.

Butter.—Salted cooking butter in 25-pound and 5-pound net sealed tins for sale to native trade constitutes the largest portion of this trade, and is supplied mainly by the Irish Free State, the United Kingdom, and France. The market for table or cold storage butter is controlled by New Zealand quotations, additional imports being obtained from Australia and Argentina and occasionally from Canada.

Cheese.—Canada is the main source of supply for cheese, which is imported in 20-22 pound daisy rounds, although there is considerable competition in British Guiana from imports of New Zealand cheese. Elsewhere Canada obtains between 75 to 90 per cent of the total trade.

PICKLED MEATS

Low-priced pickled meats which withstand the tropical conditions comprise the bulk of the meat imports into this territory. The pickled meats consist of pickled pork, from the United States, Canada, and Argentina, and pickled beef, mainly from Argentina.

Other meats, such as frozen, tinned and smoked meats, have been accounting for an increasing share of this market, but their sale is limited because of their comparatively high price. There is one exception to this in the sale of hams, which are regarded as a special Christmas delicacy and are purchased in quantity during the festive season. They are imported from the United Kingdom or Argentina in special tropical wrappings. The result is that next to pickled meats smoked hams are the most important meat product imported in this territory.

PICKLED PORK

Canada's interest in the meat trade is limited, however, principally to pickled pork. While high prices for United States meats prevailed during recent years, Canada made rapid progress in the sale of pickled pork to this market and is now, with the United States and Argentina, one of the three principal suppliers.

Pickled pork is purchased at a penny or two per piece by the native population and is used as a meat flavour for rice stews, which are a common article of diet in the British West Indies. This gives rise to two important points in the preparation of pickled pork for export: cuttings must have sufficient lean and fat on them to give taste to the stew, and, secondly, they must be carefully pickled to withstand long exposure to warm, humid conditions while being retailed.

Fat-back pork, riblets, snouts, tails, heads and pork trimmings all find a market for the above purpose. Shipments are made in 200-pound (net weight) barrels, which are usually packed 205 to 208 pounds to a barrel to allow for shrinkage. The meat is expected to arrive in clean, unfermented pickle, smell sweet and have a fresh, rosy appearance when taken from the barrel. Large salt crystals are usually found at the top and bottom of the barrel. It should be specially noted that only scalded products are acceptable to the Trinidad market.

FRESH VEGETABLES

Potatoes.—There is a steady market in the British West Indies and British Guiana for potatoes and to a lesser extent for onions and cabbages.

Trinidad requires No. 1 Eastern Canada small potatoes, i.e. measuring not less than $1\frac{3}{4}$ inch and no more than $2\frac{1}{4}$ inches in diameter and weighing about five or six to the pound. Medium size or No. 1 potatoes are also purchased to a less extent but find a good demand in Barbados.

The hot humid climate makes it necessary for the potatoes to be packed in barrels or crates. Most of the potatoes received are from Prince Edward Island, with moderate quantities from New Brunswick. Competition is largely from Holland but the substantial preferential customs rate assures Canadian shippers of a steady market.

Onions.—There is a steady importation of onions from such sources as Madeira, Cyprus, Argentina, Egypt, and Holland, the latter being the main source of supply during the period from August onwards when Canadian onions are available.

Shipments from Canada have been limited due to the fact that Canadian onions appear to be softer than those imported from Holland and elsewhere and tend to deteriorate in transit to the British West Indies ports. For the latter reason it is considered advisable to supply onions in well-ventilated crates only.

Cabbage.—A steady demand for fresh cabbages from Canada has been developing in Trinidad, and to a lesser extent in the other island markets. Packed in 65-pound and 100-pound crates, these cabbages are shipped in cold storage via the Canadian National steamships.

TOBACCO

Approximately 80 per cent of the unmanufactured tobacco imported into the British West Indies (Eastern Group) and British Guiana originates in the United States, according to a survey made of this market in 1937. Most of the tobacco is required for use in the affiliated cigarette factories of the British American Tobacco Company in Trinidad, Barbados, and British Guiana.

There was, however, a small market for black leaf tobacco exported from Canada among the smaller island markets and in British Guiana. This tobacco has a leaf of pleasing aroma, 20 to 22 inches in length and packed in casks or tierces of 600, 800, and 1,000 pounds and boxes of 100 pounds. It is used by the labouring classes for making pipe tobacco and snuff.

With recent changes in tariff as a result of the United Kingdom-United States Trade Agreement, whereby any preference on British Empire-grown tobacco was withdrawn, it is doubtful if this small market remains attractive, as the United States was the main competing source of supply.

ALCOHOLIC BEVERAGES

The market for alcoholic beverages is completely overshadowed by the heavy consumption of locally made rum. Beer is the next important alcoholic beverage in point of volume consumed. It is subject to special comment below. Beer is followed in volume by whisky and still wines. Whisky comes from the United Kingdom and the tourist trade is an important element in its consumption. Good quality wines are imported for general sale to all classes, but the large importations are of cheap white and red wines in casks from European and Mediterranean countries for sale under private labels to the labouring classes. Brandy and gin are also imported in moderate quantities.

Beer.—High tariffs encourage the sale of beer of British Empire origin. Until quite recently most of it has been imported from the United Kingdom.

Within the past few years beer of Canadian origin has been increasingly consumed and there is every indication that a number of new Canadian firms will be represented here shortly.

In Trinidad beer is imported in 10-ounce bottles, but in Barbados and British Guiana the usual 12-ounce bottle is still in use. It is usually packed in wooden cases of 72's with bottles in straw envelopes, or in cardboard containers of 24's with bottles in paper containers.

Trinidad is the only market with a local brewery. Its production in 1937 was 53,686 gallons.

NON-ALCOHOLIC BEVERAGES

Carbonating plants are being operated in most of the markets of this territory and supply aerated drinks at low prices. Moreover, the practice of certain important local plants of manufacturing under agreement well-known brands of carbonated drinks, such as Coca-Cola, Canada Dry, and Cydrax, renders it most difficult to introduce imported soft drinks, although certain well-established brands are imported in moderate quantities.

TEA

Tea is consumed by all classes of people in this territory. It is the usual practice, for example, for domestic servants to have a light meal consisting of bread, tea, and condensed milk, in addition to their one heavy meal of the day, while it is a universal custom to have afternoon tea.

Tea is imported principally from India and China, although moderate quantities are imported through Canadian export houses, especially in the smaller island markets served by the Canadian National vessels and less accessible to shipments from Asiatic sources.

ANIMAL FEEDSTUFFS

It will be noted from the list of general imports that linseed cake and meal, oats, and other feedstuffs, mentioned in the order of their importance, are imported extensively into this territory.

Barbados is the main market for all types of animal feedstuffs, followed by Trinidad and British Guiana. Due to considerable supplies of local feeds such as rice husks, coconut meal, etc., imports into British Guiana are small as compared with those entering the other two markets.

Linseed Cake Meal.—Linseed cake meal is the principal dairy cattle food and supplies are almost exclusively from the United States at prices usually below those quoted by Canadian firms.

Oats.—Oats are imported mainly for use as horse feed. Canada is the main source of supply except when prices become unduly high, when imports from the Netherlands or the United Kingdom develop. The established demand is for No. 2 or No. 3 C.W. feed oats packed in 160-pound bags.

Bran and Pollards.—Bran and pollards are the third most important feedstuff imported and are obtained mainly from the Argentine, except in the British Guiana market whose limited imports are obtained from Canada.

Grain, Meal, and Hay.—Poultry scratch feeds and poultry meals and dairy meals are imported in moderate quantities into all three markets, while hay is imported in small quantities into Trinidad and Barbados.

CANNED FISH

Canned salmon and canned sardines are the two main types of tinned fish imported. The salmon is of the lowest-priced grades obtainable, usually chums in talls and flats, and B pinks from Canada, although there is a steady sale for

better grade Alaska red salmon from the United States. Sardines are imported largely from the Canadian Maritimes, to a lesser extent from Europe, and into Barbados from Japan.

BISCUITS AND CONFECTIONERY

Biscuits.—Imported biscuits are of two main types: sweetened biscuits and unsweetened biscuits. Almost the entire supply of sweetened biscuits is imported in tins from the United Kingdom and find their main market in the high class grocery stores. The volume trade, however, lies in the sale of unsweetened biscuits, especially soda biscuits, which find a market among all classes.

Local factories in Trinidad, Barbados and British Guiana supply a large part of the unsweetened biscuit trade not only to their respective markets but also to the Northern Islands, where imports from either Trinidad or Barbados are predominant. Supplementing this supply are soda biscuits packed in 1½-pound pails, 24 to the case, imported from Canada. In addition, especially in the larger markets, other types of unsweetened biscuits such as cheese wafers, etc., are obtained from Canada.

Confectionery.—Chocolate bars in 2-, 4-, 6-, and 8-ounce sizes, either plain chocolate or with nuts and raisins, are the main type of confectionery in demand, although there is also a moderate but steady consumption of toffee, barley sugar, and other hard candies in bulk, tins, and glasses. Half-, one-, two-, and three-pound boxed chocolates are imported for the Christmas trade, the larger stores carrying a small stock through the year. Boxed chocolates, unless packed in hermetically sealed tins, must be disposed of quickly as they are inclined to become soft and mildewed. They are usually imported in tins or cellophane-wrapped boxes, packed in tin-lined or waterproof paper-lined wooden cases. The bulk of the confectionery is imported from the United Kingdom. Small quantities of chocolate bars and boxed chocolates are also imported from well-known Canadian firms.

CANNED FRUITS AND VEGETABLES

The market for canned fruits and vegetables in the British West Indies is restricted to the more affluent members of the respective colonies. Canada's share of the trade in the three main markets of Trinidad, Barbados and British Guiana in canned vegetables in 1937 amounted to 32·3 per cent of the total imports valued at \$59,394 and 24·9 per cent of the total canned fruit imports valued at \$49,670.

Most of the Canadian canned fruits and vegetables are supplied by one well-known canner, although there are a number of other firms in the market. The United States was the main source of competing supplies.

Peas, sweet corn, beets and tomatoes are among the canned vegetables; and pears, peaches, apricots, plums and fruit salad, among the fruits, are the leading varieties sold.

FRESH FRUITS

Apples.—Apples are the main fresh fruit imported from Canada. They are regarded as a Christmas luxury with the result that the imports are heaviest during the period from November 1 to December 15. Trinidad, Barbados, and British Guiana are the three main markets and in 1937 imported about \$21,148 worth of apples from Canada or 64 per cent of the total value of apple imports, the remainder being received from the United States.

About 31 per cent of the apples received on the Trinidad market are boxed, the remainder in barrels. Barrelled apples form the major part of apple imports into Barbados and British Guiana.

Newtown Pippins and Delicious varieties are supplied in boxes, and Ben Davis, Gravenstein, Baldwins, Kings, Wagners and Northern Spy in barrels. It is usually required that barrelled apples be of a good red colour.

MISCELLANEOUS

Cornmeal.—Fair quantities of cornmeal are imported into this territory. Trinidad, Barbados and British Guiana provide the main markets, although the small island of Antigua imports unusually large quantities. Supplies are obtained from the United Kingdom, the United States and Canada with the latter exporting less than the other two sources. Cornmeal is used most extensively by the agricultural labourers.

Jams and Marmalade.—Sales of jams and marmalade are confined largely to high-class groceries, and importations are mainly from the United Kingdom. Due to its comparatively limited market, the sale of jams and marmalades is not extensive.

Lard.—Lard or lard substitutes of local manufacture are used extensively, while some pure lard is sold in high-class groceries. Accordingly the sale of lard is not extensive, although moderate quantities are imported from the United Kingdom and Canada.

Refined Sugar.—As sugar production is the principal agricultural industry in the West Indies, the importation of sugar is confined almost entirely to icing sugar, imported from the United Kingdom, Canada and the United States.

LIVE ANIMALS FOR FOOD, RICE, AND EDIBLE OILS, ETC.

Live animals for food, rice, edible oils, mainly olive oil, beans and peas are not obtained from Canada. In regard to the latter product, split peas imported from the United Kingdom or Holland are the most important item, although green whole peas, red kidney beans, and Lima beans are also imported.

PREVIOUS REPORTS ON PROVISION TRADE

The following is a list of reports published during the last three years on the provision trade of this territory showing the issue of the Commercial Intelligence Journal in which each appeared:—

"Market for Feedstuffs in the British West Indies (Eastern Group) and British Guiana," No. 1805.

"Market for Soft Wheat Flour in the British West Indies (Eastern Group) and British Guiana," No. 1826.

"Market for Meat Products in the British West Indies (Eastern Group) and British Guiana," No. 1813.

"Market for Dairy Products in the British West Indies (Eastern Group) and British Guiana," No. 1779.

"Market for Onions in Trinidad, British Guiana, and Barbados," No. 1749.

"Potato Market in the British West Indies (Eastern Group) and British Guiana," No. 1806.

"Canned Vegetables and Fruits in the British West Indies (Eastern Group)," No. 1807.

"Market for Codfish in the Eastern Group of the West Indies, including British, French, and Dutch Guiana," No. 1672.

The reports in this list provide, in respect to individual commodities, details not given in this report. Prices mentioned in any report, however, should be accepted only as a general indication of values, and up-to-date details obtained by applying direct to the Canadian Trade Commissioner, P.O. Box 125, Port of Spain, Trinidad.

TRADE OF JAMAICA IN 1938

F. W. FRASER, CANADIAN TRADE COMMISSIONER

III. Principal Imports from Canada—*Concluded*

Kingston, July 22, 1939.—In the preceding instalment of this report items in the foodstuffs and raw materials groups were discussed. In this instalment details are given on items in the groups of manufactured goods.

CLASS III—MANUFACTURED GOODS

The aggregate value of the 99 imports from Canada listed below is £464,653, or 98·8 per cent of the total value of imports of manufactured goods from Canada, amounting to £470,362, in 1938. As in the case of foodstuffs and raw materials and for the same reason, many items are not listed. The chief ones omitted are: arms; ammunition and explosives; asphalt; jute bags for Jamaican produce; books; rubber-soled canvas boots and shoes; bicycles and parts; bricks and tiles; chinaware; clocks; cork manufactures; cotton piece-goods; fire extinguishers; glass and glassware; grease; hats; hemp manufactures; insecticides and vermin killers; scientific and surgical instruments; jewellery; leather goods (other than footwear, saddlery and harness); linen manufactures; machinery for electric lighting and power, for printing, and a few other purposes; mats and matting; medical sundries; musical instruments and parts; oils of all kinds, including gasolene, kerosene, and lubricating oils; photographic apparatus; quinine; radios and parts; rayon and silk piece-goods and manufactures other than hosiery; saddlery and harness; laundry soap; stills and parts; telephone apparatus; tin manufactures; twine; watches; woollen piece-goods and woollen manufactures. Several of these articles were large items of the import trade.

Advertising Matter.—Total, £2,875: United States, £1,453; Canada, £959; United Kingdom, £425. These imports consisted of placards and posters, which are free of duty irrespective of country of origin. Ash trays, penknives, and other utility articles, even though intended for advertising, are dutiable.

Apparel.—Total, £114,899: Hongkong, £42,972; United Kingdom, £33,853; Canada, £24,544; United States, £7,189; Japan, £3,211; China, £2,498. Included in this classification is a wide range of men's, women's, and children's wear, except boots, shoes, and hats. Apparel is in good and steady demand, and was granted extra tariff preference by Jamaica in June, 1934.

Blacking and Polishes.—Total, 384,929 pounds (£18,948): United Kingdom, 294,399 pounds (£15,833); United States, 72,404 pounds (£2,725); Canada, 12,101 pounds (£273).

Boots and Shoes of Leather.—Total, 51,966 dozen pairs (£159,344): United Kingdom, 37,676 dozens (£104,157); Canada, 11,574 dozens (£47,798); Hongkong, 2,202 dozens (£5,750); Czecho-Slovakia, 463 dozens (£1,427). The imports from the United Kingdom were chiefly men's shoes; those from Canada, women's and children's, in which trade Canada has been predominant for some time past. In June, 1934, the Jamaican tariff preference on boots and shoes of British Empire origin was substantially increased.

Brooms and Brushes.—Total, 246,416 in number (£5,587): United States, 113,774 (£2,003); United Kingdom, 48,553 (£2,425); Japan, 46,336 (£294); Germany, 23,174 (£329); Canada, 10,170 (£492).

Buckets, Pails, and Tubs of Metal.—Total, 37,351 in number (£4,917): United Kingdom, 18,441 (£3,540); Canada, 9,300 (£759); Belgium, 9,222 (£527).

Candles for Church Use.—Total, 1,953 pounds (£171): Canada, 1,333 pounds (£141); United States, 620 pounds (£30). The local authorities of the Roman Catholic Church, who are about the only importers, used to buy exclusively from the United States.

Carriages: (a) Motor Cars.—Total, 1,012 units (£158,631): Canada, 481 units (£81,004); United States, 238 units (£38,415); United Kingdom, 232 units (£31,344); Germany, 57 units (£7,532).

(b) Motor Car Tires.—Total, 19,751 in number (£38,748): Canada, 13,747 (£26,386); United Kingdom, 5,799 (£11,862); United States, 175 (£438).

(c) *Motor Car Tubes*.—Total, 15,872 in number (£3,757): Canada, 10,957 (£2,603); United Kingdom, 4,826 (£1,112); United States, 85 (£42).

(d) *Other Parts of Motor Cars*.—Total, £47,107: United States, £24,597; United Kingdom, £10,762; Canada, £9,936; Germany, £1,702.

(e) *Motor Trucks*.—Total, 424 units (£78,721): Canada, 253 units (£42,629); United States, 84 units (£16,580); United Kingdom, 77 units (£17,302); Germany, 10 units (£2,210).

(f) *Motor Truck Tires*.—Total, 7,067 units (£26,984): Canada, 6,995 (£26,585); United Kingdom, 44 (£283); United States, 28 (£116).

(g) *Motor Truck Tubes*.—Total, 4,363 in number (£1,914): Canada, 4,318 (£1,891); United Kingdom, 45 (£23).

(h) *Other Parts of Motor Trucks*.—Total, £984: United States, £524; Canada, £181; Germany, £167; United Kingdom, £112.

(i) *Railway Rolling Stock*.—Total, £22,922: Belgium, £21,010; United States, £1,063; Canada, £695; United Kingdom, £154.

Cement.—Total, 177,919 barrels of 375 pounds net (£88,150): United Kingdom, 141,136 barrels (£69,180); Germany, 23,537 barrels (£11,597); Denmark, 8,600 barrels (£4,878); Canada, 4,000 barrels (£2,124); small remainder from the United States and Holland. These imports were of approved brands; an insignificant quantity of other brands was also brought in. The 1937 total of the former was 166,154 barrels (£68,909). The Jamaican Government, the largest individual user, has on hand a considerable building program. The establishment of a local cement factory has been suggested, and some preliminary inquiries have been made accordingly, but the project is still in the tentative stage.

Chemicals: (a) Calcium Carbide.—Total, 60,226 pounds (£499): Canada, 48,000 pounds (£398); Switzerland, 9,810 pounds (£75); Poland, 1,670 pounds (£14); United States, 500 pounds (£6); United Kingdom, 246 pounds (£5).

(b) *Unspecified Kinds*.—Total, £24,910: United Kingdom, £12,452; United States, £5,839; Trinidad, £2,705; Canada, £1,496. These do not include insecticides and vermin killers or tanning and dyeing materials, of which imports from Canada were negligible.

Cotton Manufactures: (a) Hosiery.—Total, 149,964 pairs (£3,263): Hongkong, 73,452 pairs (£922); United Kingdom, 57,398 pairs (£1,672); Canada, 18,912 pairs (£661).

(b) *Unspecified Kinds*.—Total, £64,192: United Kingdom, £40,277; Japan, £10,670; United States, £6,182; Hongkong, £2,456; Canada, £1,880; Germany, £1,142. This classification includes handkerchiefs, thread, fishing line, bedspreads, pillow cases, mosquito nets and a number of other articles, but not gloves, piece-goods, ribbon, and yarn. Of piece-goods, the second most valuable single item of the import trade, Canada supplied a negligible quantity.

Cutlery.—Total, £5,482: United Kingdom, £1,843; Germany, £1,537; Canada, £797; United States, £706; Japan, £571.

Electrical Apparatus: (a) for Generating Electricity.—Total, £14,949: United Kingdom, £8,101; United States, £4,990; Canada, £1,130.

(b) *Unspecified Kinds*.—Total, £54,404: United States, £34,599; United Kingdom, £17,096; Germany, £1,008; Canada, £534; Japan, £527. These figures include lamps, irons, water-heaters, stoves, refrigerators and other household electrical appliances, switches and other accessories, but do not include dental, x-ray, radio or telephone apparatus. Of the two last-named there were substantial imports, of which, however, Canada's share was insignificant.

Fibre Manufactures, Unenumerated.—Total, £2,442: Canada, £918; United States, £513; Finland, £448; Sweden, £277; United Kingdom, £217.

Fire-resisting Wallboards.—Total, £2,718: United States, £1,128; Sweden, £745; Canada, £484; Finland, £361.

Haberdashery and Millinery.—Total, £24,684: United Kingdom, £8,828; United States, £5,300; Japan, £3,832; Germany, £2,054; Czecho-Slovakia, £1,773; Canada, £921. The chief items of this classification are buttons, hooks and eyes, needles and pins, flowers and millinery for hats, and trimmings for garments.

Hardware: (a) Casket Hardware, Office Cabinets, and Furniture of Iron or Other Metal.—Total, £6,652: United Kingdom, £3,910; United States, £1,471; Canada, £1,202.

(b) *Typewriters*.—Total, £4,955: United States, £2,039; United Kingdom, £1,505; Canada, £1,099; Switzerland, £242.

(c) *Other Kinds*.—Total, £161,153: United Kingdom, £68,803; United States, £45,464; Germany, £23,630; Canada, £14,490; Japan, £3,311; Belgium, £2,415; Sweden, £1,843.

Implements and Tools: (a) Agricultural.—Total, £53,232: United States, £31,258; United Kingdom, £18,060; Canada, £1,724; Germany, £1,703.

(b) *Artisans'*.—Total, £20,486: United States, £12,572; United Kingdom, £5,386; Canada, £1,326; Germany, £1,007.

(c) *Other Kinds*.—Total, £241: United Kingdom, £130; Canada, £66; United States, £45.

Machinery, Agricultural: (a) Drainage and Irrigation.—Total, £5,894: United States, £3,432; United Kingdom, £2,123; Germany, £328; Canada, £11.

(b) Sugar.—Total, £233,655: United Kingdom, £206,963; United States, £22,956; Germany, £2,209; Canada, £1,288.

(c) Other Kinds of Agricultural.—Total, £22,900: United States, £13,562; United Kingdom, £6,435; Germany, £1,769; Denmark, £670; Italy, £228; Canada, £129. Rum stills and parts, of which there were substantial imports, supplied almost entirely by the United Kingdom, are not included in these figures.

Machinery, Industrial and Manufacturing: (a) Railway and Tramway.—Total, £25,461: United States, £14,252; United Kingdom, £10,537; Canada, £646.

(b) Sewing Machines.—Total, £27,006: Canada, £12,914; Germany, £9,982; United States, £3,056.

(c) Other Kinds of Industrial and Manufacturing.—Total, £6,777: United States, £3,842; United Kingdom, £2,569; Canada, £322. Electric lighting and power and printing machinery, of which there were considerable imports—none, however, from Canada—are not included in this sub-head, neither are the small purchases of shoe-making machinery. As from July 15, 1939, the importation of cornmeal-manufacturing machinery into Jamaica has been prohibited except under Government licence. The reason for this restriction is that a plan for the local manufacture of cornmeal, in which the Government is actively interested, has taken definite shape.

Machinery, Other: (a) Marine.—Total, £1,036: United States, £609; United Kingdom, £281; Canada, £145.

(b) Road-making.—Total, £1,086: United Kingdom, £1,005; Canada, £81.

(c) Other Kinds, Unspecified.—Total, £30,885: United States, £14,827; United Kingdom, £13,349; Germany, £1,763; Canada, £823. Not included in this classification are moving picture and water and sewerage machinery, of which there were appreciable imports; none, however, from Canada.

Machine Accessories.—Total, £7,952: United States, £4,872; United Kingdom, £2,940; Canada, £100.

Total imports from Canada of machinery and parts, as listed above, were £16,459, of which sewing machines accounted for £12,914.

Manures, Chemical.—Total, 6,789 tons (£58,347): United Kingdom, 4,028 tons (£32,313); United States, 1,155 tons (£9,652); Holland, 781 tons (£10,439); Germany, 628 tons (£4,417); Canada, 117 tons (£894). The demand for these manures has notably increased in recent years and can be expected to continue doing so.

Medicines and Drugs, Patent and Proprietary.—Total, £85,795: United Kingdom, £34,333; United States, £33,024; Canada, £11,988; Germany, £2,621. This is a steady trade.

Metals: (a) Copper and Its Manufactures.—Total, £803: United Kingdom, £344; Germany, £200; United States, £168; Canada, £91.

(b) Iron and Steel: Railway Materials.—Total, £30,307: United States, £25,283; United Kingdom, £3,403; Germany, £773; Canada, £595.

(c) Iron, Galvanized for Roofing.—Total, £37,843: United Kingdom, £34,020; United States, £1,485; Germany, £1,437; Japan, £841; Canada, £46.

(d) Gas Fixtures of Iron.—Total, £3,646: United Kingdom, £2,678; Canada, £968.

(e) Iron Nails, Screws, and Rivets.—Total, £14,592: Canada, £9,518; Germany, £1,977; United States, £1,956; United Kingdom, £909. The 1937 total was £12,062.

(f) Fencing Nails and Staples of Iron.—Total, £1,641: Germany, £841; United States, £450; Canada, £284; United Kingdom, £66.

(g) Iron Pipe.—Total, £44,492: United Kingdom, £39,008; Canada, £4,008; United States, £1,014; Germany, £276.

(h) Steel Bars and Sheets.—Total, £36,933: United Kingdom, £21,882; Canada, £8,914; United States, £2,461; Belgium, £2,066; France, £1,101.

(i) Iron Wire for Fencing.—Total, £9,210: Germany, £3,079; United States, £3,028; Canada, £2,191; United Kingdom, £430.

(j) Iron Wire Netting.—Total, £7,432: United Kingdom, £4,114; Germany, £3,030; United States, £139; Canada, £125.

(k) Iron Wire, Other Kinds.—Total, £6,800: United Kingdom, £3,626; Canada, £2,125; Germany, £533; United States, £307.

(l) Iron Wire Screen Cloth.—Total, £1,554: United States, £800; United Kingdom, £336; Holland, £157; Japan, £126; Germany, £76; Canada, £59.

(m) Iron and Steel Hoops and Shooks.—Total, £2,119: Belgium, £699; United States, £566; Luxembourg, £534; Germany, £178; Canada, £91; United Kingdom, £51.

(n) Other Manufactures of Iron and Steel.—Total, £72,311: United Kingdom, £61,531; Canada, £5,711; United States, £2,594; Belgium, £1,928. Small quantities of pig iron from the United Kingdom are not here included.

Metal Containers for Jamaican Produce.—Total, £12,569: United Kingdom, £5,855; United States, £2,154; Germany, £1,718; Holland, £1,328; Cuba, £1,186; Canada, £202.

Metals, Unspecified.—Total, £5,536: United Kingdom, £4,495; Canada, £710; United States, £232. This classification does not include brass, lead, tin, zinc and their manufactures, which were supplied chiefly by the United Kingdom.

Total imports from Canada of metal manufactures, as listed above, were £35,638, of which nails, screws, and rivets accounted for £9,518, steel bars and sheets for £8,914, pipe for £4,008, ordinary and fencing wire together for £4,386, and miscellaneous articles for £5,711. There were also very small purchases of tin manufactures from Canada.

Oilcloth and Linoleum.—Total, £3,049: United States, £1,723; Canada, £1,028; United Kingdom, £272.

Painters' Colours and Materials.—Total, 1,924,398 pounds (£42,680): United Kingdom, 1,359,823 pounds (£25,260); United States, 279,302 pounds (£10,427); Canada, 197,688 pounds (£6,100); Holland, 53,473 pounds (£508); Belgium, 25,124 pounds (£142).

Paper: (a) Playing Cards.—Total, 29,816 packs (£525): United Kingdom, 28,844 packs (£473); Canada, 682 packs (£17); United States, 290 packs (£35).

(b) Newsprint.—Total, £33,231: Canada, £23,787; United Kingdom, £5,621; United States, £2,923; Norway, £372. The 1937 and 1936 totals were £19,502 and £15,058 respectively. Another daily newspaper began publication in Kingston on February 28, 1938.

(c) Writing.—Total, £1,422: United Kingdom, £1,214; United States, £175; Finland, £22; Canada, £11.

(d) Fruit Wraps.—Total, £5,072: United States, £2,742; Norway, £1,441; Holland, £499; United Kingdom, £196; Sweden, £172; Canada, £22. The 1937 total was £3,552. A larger output of citrus was mainly responsible for the increase.

(e) Containers for Jamaican Produce.—Total, £13,341: United Kingdom, £3,972; Belgium, £3,249; Canada, £2,830; United States, £2,081. Besides these imports of paper and cardboard containers (chiefly the latter), there were small imports of cardboard guards for the same purpose from Holland and the United States.

(f) Other Manufactures.—Total, £77,123: United States, £25,387; United Kingdom, £19,552; Holland, £13,288; Canada, £5,921; Germany, £5,264; Sweden, £4,634. Bags and wrapping paper were the main items.

Perfumery.—Total, £44,280: United States, £25,040; United Kingdom, £9,334; France, £5,177; Canada, £2,962; Germany, £1,279.

Plate and Plated Ware.—Total, 2,871: United Kingdom, £1,743; Germany, £409; Canada £304; United States £269; Japan, £81.

Rayon Hosiery.—Total, 521,906 pairs (£20,382): Canada, 206,141 pairs (£13,453); Hong-kong, 164,761 pairs (£2,682); United Kingdom, 148,453 pairs (£4,093); United States, 2,134 pairs (£129). There were also heavy imports of rayon piece-goods and rather smaller imports of pure silk piece-goods and of unenumerated rayon and silk manufactures. Canada's share of the trade in these articles was very small.

Rope.—Total, 60,108 pounds (£1,253): United Kingdom, 34,752 pounds (£704); Canada, 18,003 pounds (£388); Philippine Islands, 7,019 pounds (£147); United States, 334 pounds (£14). These imports consisted of ships' rope.

Rubber Manufactures, Miscellaneous.—Total, £7,289: United States, £2,259; United Kingdom, £2,142; Canada, £1,841; Germany, £534; Japan, £356. This sub-head includes many articles, but not tires, tubes, boots and shoes.

Soap, Fancy.—Total, 458,851 pounds (£17,395): United Kingdom, 223,033 pounds (£7,819); Canada, 163,228 pounds (£6,290); United States, 55,400 pounds (£2,886); Japan, 16,407 pounds (£372).

Soap Flakes.—Total, 27,478 pounds (£893): United Kingdom, 15,249 pounds (£667); Canada, 10,800 pounds (£195); United States, 1,429 pounds (£31). Canada supplied no laundry soap, a considerable import item, and negligible quantities of liquid and soft soap and soap powder, the trade in which is small.

Stationery, Other than Writing Paper.—Total, £42,758: United Kingdom, £26,202; United States, £11,504; Canada, £3,670; Japan, £524.

Toys and Games.—Total, £14,564: United Kingdom, £5,545; Germany, £2,749; United States, £2,522; Japan, £1,686; Canada, £975; India, £900.

Trunks and Valises.—Total, 53,585 in number (£7,928): United Kingdom, 43,127 (£6,183); Germany, 9,227 (£1,243); United States, 885 (£357); Canada, 128 (£55).

Wax.—Total, 74,363 pounds (£1,046): United States, 53,385 pounds (£493); Canada, 10,578 pounds (£356); United Kingdom, 8,840 pounds (£175).

Wood and Timber Manufactures, viz. Containers for Jamaican Produce: (a) for Aerated Waters.—Total, 271 packages (£467): United States, 151 packages (£443); Canada, 120 packages (£24).

(b) *For Biscuits*.—Total, 1,859 packages (£1,442): United States, 1,371 packages (£1,218); Canada, 488 packages (£224).

(c) *For Citrus Fruit*.—Total, 518,979 crates (£25,093): Canada, 339,802 crates (£16,390); United States, 179,177 crates (£8,703). There was an increased production of citrus fruit in 1938 over 1937 when the total was 402,212 crates (£17,881).

(d) *For Citrus Fruit Juice*.—Total, 305 packages (£278): Canada, 150 packages (£79); United States, 133 packages (£165); United Kingdom, 22 packages (£34).

(e) *For Coconut Oil*.—Total, 1,212 packages (£188): United States, 588 packages (£107); Canada, 624 packages (£81).

(f) *For Honey*.—Total, 1,331 packages (£1,377): Germany, 907 packages (£943); United States, 339 packages (£395); Canada, 85 packages (£39). These were 25-gallon casks. German beeh appears to be preferred by local apiarists, because it has no tannin.

(g) *For Lard and Margarine*.—Total, 881 packages (£237): Canada, 673 packages (£108); United States, 208 packages (£129).

(h) *For Limes*.—Total, 12,749 packages (£1,510): United States, 12,616 packages (£1,478); Canada, 133 packages (£32).

(i) *For Logwood Extract*.—Total, 3,237 packages (£1,363): United Kingdom, 1,936 packages (£922); Canada, 1,101 packages (£332); United States, 200 packages (£109).

(j) *For Matches*.—Total, 1,781 packages (£808), entirely from Canada.

(k) *For Orange Oil*.—Total, 168 packages (£33), entirely from Canada.

(l) *For Rum*.—Total, 20,249 packages (£71,621): United States, 18,938 packages (£68,109); Germany, 824 packages (£3,217); Canada, 252 packages (£145); United Kingdom, 235 packages (£120). These imports consisted of rum puncheons and of cases for putting up bottled rum, mostly of the former. Being made of white oak, which is unobtainable within the British Empire, puncheons are free of duty irrespective of country of supply, whereas cases are free if of British Empire origin and subject to 10 per cent ad valorem duty if of foreign origin. For this reason, and also by comparing quantities and values, it is possible to distinguish between the two in the customs record. The imports from Germany were wholly puncheons; of those from the United States, 14,959 packages (£66,037) consisted of puncheons and 3,979 packages (£2,072) were cases. Those from Canada and the United Kingdom were all cases.

(m) *For Sauce*.—Total, 216 packages (£43), entirely from Canada.

(n) *For Soap*.—Total, 8,057 packages (£1,896): United States, 4,735 packages (£860); Canada, 3,322 packages (£1,036). These were boxes for putting up laundry soap, locally manufactured from coconut oil to a considerable extent.

(o) *For Vegetables*.—Total, 5,458 packages (£869): Canada, 2,548 packages (£475); United States, 2,910 packages (£394). These were crates for use of the increasing export trade in locally grown fresh vegetables, of which potatoes and tomatoes are the chief.

(p) *For Unenumerated Articles*.—Total, 91 packages (£33): Canada, 90 packages (£32); United States, 1 package (£1).

The imports from Canada of the many kinds of wooden containers listed above totalled in value £19,881 of which, as indicated, citrus crates accounted for £16,390 and soap boxes for £1,036.

Wooden Furniture.—Total, £19,634: United Kingdom, £5,828; Canada, £4,305; United States, £3,331; Germany, £2,260; Sweden, £1,872; Poland, £1,179.

Wooden Manufactures Unenumerated.—Total, £14,030: United States, £4,957; Sweden, £1,689; United Kingdom, £1,461; Finland, £1,321; Germany, £1,099; Canada, £882. Various kinds of household, office and other woodenware, not classed as furniture, are included in these figures.

Unclassified Manufactured Goods.—Total, £39,501: United Kingdom, £14,244; United States, £13,620; Canada, £6,275; Germany, £2,520; Japan, £1,053.

CLASS IV—ANIMALS AND BIRDS NOT FOR FOOD

Of the imports under this category from all sources, totalling £3,250 in value, Canada supplied £284 worth, consisting of horned stock (£283) and unspecified animals (£1).

CLASS V—BULLION, SPECIE AND PARCELS POST

Of the total imports from all countries under this heading, amounting in value to £250,691, imports by parcels post are shown in the customs record as aggregating £188,337. The customs record, however, does not classify them as to origin and gives no particulars of quantity. Consequently, the import figures credited to any country of supply in the customs record must be understood as excluding parcels post. According to the records of the Jamaican

Post Office a total of 102,815 parcels of declared value of £188 913 was imported in 1938. Of this total the United Kingdom supplied 47,672 (£115,832), the United States and the Panama Canal Zone, 43,737 (£46,491), Canada, 8,663 (£19,510), and other countries 2,743 (£7,080). The discrepancy between the Post Office's figures of total value and those of the Customs Department may be due to the return to senders of parcels unclaimed by addressees. In recent years Canadian mail order houses have made much progress in this trade, which consists largely of apparel and small hardware. Not only private individuals but also Jamaican business houses use the mails for this purpose. There were no imports of bullion and specie from Canada in 1938.

JAMAICA GOVERNMENT IMPORTS

Imports by the Jamaica Government are included in the commodity statistics published by the Customs Department. In 1938 they totalled £359,387 in c.i.f. value, of which the United Kingdom supplied £286,758, Canada £27,911, the United States £18,292, and other countries £26,426. The 1937 total was £310,374: United Kingdom, £251,509; United States, £22,388; Canada, £16,503; and other countries, £20,334. Cement, asphalt, hardware, iron and steel goods and other building supplies, as well as railway materials, were large items of the Government's purchases for the use of its many departments. This business is usually placed through the Crown Agents for the Colonies, London, and the Government's buying agents in Montreal.

CUSTOMS TARIFF CHANGE

The Jamaican customs tariff was amended on two occasions in 1938. In June the duties on beer, wines, spirits and matches were increased in order to raise extra revenue, the excise on locally produced beer and matches being correspondingly advanced. In December the rates on advertising matter, except placards and posters, (which were and remain free irrespective of country of origin), on apparatus for telegraphs, telephones and for generating electricity, and on confectionery, lumber, maize and tobacco, were revised in order to implement the trade agreement between the United Kingdom and the United States.

TRADE OF NYASALAND IN 1938

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, July 15, 1939.—The external trade of Nyasaland increased in value in 1938 as compared with the previous year. This was the fifth successive year for which steady expansion in total trade has been recorded. The Protectorate is wholly dependent upon agriculture for its economic prosperity, and in this respect differs from the neighbouring colonies—Southern Rhodesia and Northern Rhodesia—where mineral production is the chief contributing economic factor.

Tea, tobacco, and cotton are the staple crops, and in 1938 exports of these three items accounted for more than 95 per cent of Nyasaland's total domestic exports. The tobacco auction system, which was introduced and was in operation during 1938, resulted in Europeans obtaining more satisfactory prices for their flue-cured tobacco, while natives also received better prices for their dark-fired tobacco crops. The introduction of the tobacco auction system was opportune as, due to unfavourable climatic conditions, the tobacco yield in 1938 was less than that of the preceding year. The total cotton crop increased by 48 per cent over that of the previous year but, due to heavy world production, the domestic price declined. Tea exports for 1938 increased considerably in value over the 1937 figure and offset declines recorded in tobacco and cotton.

The import trade of the Protectorate in 1938 increased by 10·7 per cent as compared with the previous year's figure, increases being uniformly spread over the majority of the principal items. Cotton piece-goods, the foremost single import, increased in value by 11·3 per cent as compared with 1937.

TOTAL TRADE

The following table shows the value of imports (government stores and specie being deducted) and exports (excluding gold and specie) and total trade for the calendar years 1938 and 1937:—

	1938	1937	Increase	Inc. Per Cent
Imports.. . . .	£793,980	£717,113	£76,867	10·7
Exports.. . . .	974,729	901,925	72,804	8·0
Total.. . . .	£1,768,709	£1,619,038		

Imports of government stores were valued at £39,344 in 1938 as against £29,642 in 1937.

PRINCIPAL IMPORTS

The table hereunder shows imports for the past two years as classified by main commodity groups in the trade returns:—

	1938 £	1937 £	Inc. or Dec. £
Food, drink and tobacco.. . . .	57,748	49,415	+ 8,333
Raw materials	18,455	14,666	+ 3,789
Manufactured articles.. . . .	682,623	615,726	+ 66,897
Miscellaneous	35,154	37,306	— 2,152
	793,980	717,113	+ 77,867

The more important items, from a value standpoint, imported into Nyasaland in the year under review were cotton piece-goods valued at £193,238 in 1938 as compared with £173,958 in 1937; electrical and industrial machinery, £42,259 (£20,976); motor spirit, £42,113 (£41,902); apparel n.e.e., £35,502 (£43,354); shoos and staves, £27,679 (£17,377); manufactures of iron and steel n.e.e., £25,807 (£13,874); bicycles, £24,652 (£14,594); motor trucks and vans, £23,358 (£19,530). It will be noted that all of the above items increased in value in 1938 as compared with the previous year, with the exception of apparel n.e.e., motor cars, and textile manufactures n.e.e.

CHIEF SUPPLYING COUNTRIES

The United Kingdom was the principal supplier, imports therefrom being valued at £349,872 (44·1 per cent) in 1938, an increase in both value and percentage over £292,821 (40·8 per cent) in 1937. Imports from other Empire countries were valued at £49,203 and £51,267 respectively in the same two years. Principal contributing countries were India with shipments valued at £11,480 (1·5 per cent) in 1938 and £10,429 (1·4 per cent) in 1937; Union of South Africa, £10,664 (1·3 per cent) and £11,419 (1·6 per cent); Southern Rhodesia, £9,586 (1·2 per cent) and £11,541 (1·6 per cent); and Canada, £6,209 (0·8 per cent) and £7,908 (1·9 per cent).

Imports from foreign countries were valued at £394,905 (49·7 per cent) in 1938 as compared with £373,025 (52 per cent) in 1937. Japan was the leading foreign source of supply, imports from this country being valued at £225,060 (28·3 per cent) in 1938 and £207,349 (29 per cent) in the previous year. Following Japan, in order of importance, were the United States, £36,385 (4·6 per cent) and £41,992 (5·9 per cent); Iran, £30,019 (3·8 per cent) and £20,646 (2·9 per cent); Germany, £18,560 (2·3 per cent) and £21,024 (2·9 per cent); and Portuguese East Africa, £15,886 (2 per cent) and £16,632 (2·3 per cent).

EXPORT TRADE

Domestic exports from Nyasaland in 1938 were valued at £959,810 as compared with £887,058 in the preceding year. Re-exports from the Protectorate

were valued at £14,919 and £14,867 respectively in the same two years. Figures covering exports of tea, tobacco, and cotton, which together account for almost the entire total of the Protectorate's export trade, are shown for the calendar years 1938 and 1937 in the following table:—

	Value £	Per Cent of Domestic Exports
Tea—		
1938..	448,477	46·7
1937..	326,038	36·7
Tobacco—		
1938..	392,683	40·9
1937..	423,994	47·8
Cotton—		
1938..	99,953	10·5
1937..	105,721	11·9

The remainder of Nyasaland's total domestic exports were principally made up of rubber valued at £3,316 in 1938 and £3,449 in 1937; fish, £2,484 and £605; strophanthus, £2,083 and £2,467; groundnuts, £1,724 and nil; cotton seed, £1,688 and £2,439; and cotton fibre, £1,575 and £12,900.

DESTINATION OF EXPORTS

Domestic exports consigned to the United Kingdom were valued at £882,467 (91·9 per cent) in 1938 as compared with £821,156 (92·5 per cent) in 1937. Other Empire countries accounted for domestic exports valued at £25,349 (2·7 per cent) in 1938 and £23,126 (2·6 per cent) in 1937. The chief Empire markets, in addition to the United Kingdom, were Sierra Leone, £12,174 in 1938 and £8,984 in 1937; Southern Rhodesia, £7,173 (£4,994); India, £3,241 (£7,106); and the Union of South Africa, £1,332 (£981).

Foreign countries absorb only a small proportion of Nyasaland's domestic exports, being credited with £51,994 (5·4 per cent) in the year under review and £42,776 (4·9 per cent) in 1937. Portugal was the leading foreign market taking exports valued at £14,583 in 1938 as compared with £2,455 in 1937, followed by Belgium, £8,893 and £7,936; France, £6,773 and £117; and Netherlands East Indies, £4,034 and £2,143.

TRADE WITH CANADA

Imports from Canada, which were valued at £6,209 (0·8 per cent) in 1938, declined in both value and percentage from £7,908 (1·9 per cent) in the preceding year. Canada's share of the imports was comprised mainly of the following items: motor trucks and vans, £2,541 in 1938 and £3,059 in 1937; motor cars, £1,415 and £2,392; motor car parts and accessories, £799 and £962; wheat and wheat flour, £432 and £457; apparel n.e.e., £260 and £24; provisions, £201 and £126; and timber, £109 and £94.

Nyasaland's exports to Canada were valued at £722 in 1938 and were made up entirely of tea.

INDUSTRY AND TRADE OF ICELAND

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

(One krona equals approximately 20 cents Canadian)

Oslo, August 19, 1939.—By the Danish-Icelandic pact of 1918 Iceland became an independent state, joined to Denmark only by the Crown. The King of Denmark and Iceland nominates the Government, consisting of three ministers responsible to Parliament. The Danish State represents Iceland in those countries where Iceland has no representatives; also part of the fisheries inspection is carried out by Denmark.

Financially and economically, for the last twenty years Iceland has been quite independent of Denmark. The Danish influence, which in the period 1602-

1854 took the form of a trade monopoly, has decreased steadily since the end of the last century. Danish participation in the industrial life of Iceland has declined since the Great War, this tendency being accentuated during the last five years.

The area of Iceland is about a third of that of Sweden, but with its 117,000 inhabitants Iceland is among the smallest states in population in Europe. Its density of population is the very lowest, being 1.1 inhabitant to the square kilometre. A third of the population lives in Reykjavik, the capital. The population has had the relatively great increase of 50 per cent since 1900.

AGRICULTURE

Although the chief industry, giving a livelihood to 36 per cent of the population, agriculture has a one-sided and limited production because of Iceland's northerly situation. Only about 2 per cent of the surface area is arable, and because of insufficient heat in summer crops are limited to potatoes and hay. As horses are used extensively for transport in Iceland, hay is an important crop. Grain and certain kinds of animal foodstuffs, e.g. fats, must be imported. The extensive pasture lands are used chiefly as sheep lands, and mutton is an important article of the people's diet. The export of this meat, salted and frozen, together with wool and skins, is Iceland's most important agricultural contribution to trade. The flocks in 1936 consisted of 650,000 sheep, while the number of horses reached 46,000 or one horse per every three persons. Automobiles, on the other hand, in the same year numbered 1,835 or one car per 64 inhabitants.

MINERALS AND COMMUNICATIONS

There is no certain mineral wealth in the country. Coal and metals must, therefore, be imported. Water power, although available in abundance, has not yet been fully utilized. Warm springs, which are found especially in the southwest of the country, are only partially used for the heating of hothouses and dwelling houses, etc.

Lack of capital has delayed the exploitation of these natural riches and also the development of communications. Iceland lacks railways; but automobile roads, which have been extended in recent years, now total over 3,000 kilometres. It was not until after 1890 that modern roads and bridges were built to any extent. A subsidized shipping company cares for the main transport by sea, particularly coastal traffic and connections with the Continent. Norwegian and Danish shipping do most overseas chartering.

FISHERIES

The waters around Iceland abound in fish, and the fishery resources are of great importance in the industrial life of the country. The Gulf Stream is a decisive factor in the natural riches found in the sea, as well as making Iceland habitable.

The cod and herring fishing afford a livelihood to about 22 per cent of the population. In addition, industries based on the fisheries give a livelihood to a further 7 per cent. These industries have developed considerably in recent years. Fish and fish products constitute around 70 per cent of the total value of exports. The fishing fleet consists of some 70 steam vessels, of which 40 are trawlers, and some 400 motor vessels. The total tonnage is between 20,000 to 25,000 registered tons. In addition, there is a considerable number of small open boats. During the prosperous period from 1920 to 1930 considerable improvement and modernization of the fishing fleet took place.

The size, quality, and value of the annual catch vary greatly. During the years 1921-25 the annual catch, excluding herring, averaged 40 million fish,

and in the period 1926-30 reached 60 million. For the years 1934 and 1935 the totals were 68 million and 58 million, equalling 164,000 tons and 134,000 tons respectively. The total value in these two years decreased from 24 to 20 million kronur. A further decrease to 81,000 tons with a value of 13.5 million kronur followed in 1936. The herring fishing does not play the same part economically as the cod fishing. In the years 1934 and 1935, 63,400 tons and 61,000 tons respectively were caught. This figure rose in 1936 to 118,000 tons, representing a value of 6 million kronur.

FOREIGN TRADE

Despite Iceland's relative isolation, the country has many and varied import requirements. Imports include products such as grain, materials for spinning, leather goods, timber, fuel (such as coal, coke, and petroleum), metals and manufactured metal goods. On the other hand, Iceland's exports consist chiefly of a few commodities, e.g. fish, with its by-products such as herring meal, herring oil, and cod liver oil, and agricultural products such as mutton, wool, and hides. Up to 1936 fish exports, which constitute more than two-thirds of the total value of exports, went mainly to a few countries in Europe, especially to Italy, Spain, and Portugal; but this situation has now changed.

The following table shows the value of Iceland's foreign trade in millions of Icelandic kronur from 1929 to 1938:—

	1929	1930	1932	1934	1936	1937	Jan.-Sept. 1937	Jan.-Sept. 1938
	Millions of Icelandic kronur							
Imports	77.0	72.0	37.4	51.7	44.5	51.7	40.2	38.5
Exports	74.2	60.1	47.8	47.9	45.5	58.7	39.9	37.0
Total	151.2	132.1	85.2	99.6	90.0	110.4	80.1	75.5

As can be seen from these figures, the value of exports and imports vary greatly from year to year. There has been a large decline in values since 1930, the decline being accentuated sharply by a considerable depreciation of the Icelandic krona since that year.

EXPORTS

The following table shows the value in millions of Icelandic kronur of the principal exports from Iceland in eight years of the period from 1929 to 1938:—

Principal Exports from Iceland

	1929	1930	1932	1934	1936	1937	Jan.-Sept. 1937	Jan.-Sept. 1938
	Millions of Icelandic kronur.							
Dried, salted fish.	47.2	36.2	27.3	24.3	14.7	16.5	9.5	11.6
Fish oils	6.4	5.3	3.7	4.6	9.7	13.2	9.0	6.3
Fish meal	2.9	3.3	2.8	2.8	3.6	6.6	3.3	2.5
Salt herring	4.8	5.2	4.9	5.3	7.1	5.8	2.4	3.0
Fresh fish	3.4	4.0	4.8	4.9	4.9	4.8	2.4	2.7
Mutton	2.9	3.1	1.9	2.0	2.7	4.3	1.3	1.4
Wool	2.3	0.5	0.5	1.0	2.1	3.0	1.9	0.5
Sheepskins	2.9	1.0	0.7	1.2	2.3	2.7	0.4	0.7

The export of fish in general, and the export of dried, salted fish in particular, has decreased considerably since 1934. During the years 1929 to 1934 the value of exports of dried, salted fish, salt herring, and fresh fish amounted to 75 per cent and 80 per cent of total exports. In the years 1935, 1936, and 1937 the value of such exports fell to 67 per cent, 58 per cent, and 46 per cent respectively. By-products of the fishing industry, however, have attained greater significance. These include oils of various kinds: herring oil, cod liver oil, and oil of "red-fish" or Norway haddock.

IMPORTS

The value of certain chief groups of imports have also undergone changes during recent years, although these are not so striking as the changes in export values. The following table shows the value in millions of Icelandic kronur of the principal imports into Iceland in six years of the period from 1929 to 1936:—

Principal Imports into Iceland

	1929	1932	1933	1934	1935	1936
	Millions of Icelandic kronur.					
Grain.	4.3	3.0	3.1	3.0	3.1	3.5
Sugar and colonial goods..	1.9	1.1	1.2	1.1	1.1	1.1
Tobacco goods	1.3	1.1	1.1	1.1	0.9	0.9
Textiles, yarns and threads	11.2	4.1	7.4	9.0	7.2	5.6
Paper goods.. . . .	1.5	1.2	1.4	1.5	1.2	1.4
Coal and coke	4.8	3.1	4.2	3.7	4.3	4.9
Salt	3.1	2.3	2.9	1.8	1.7	1.4
Metal goods.. . . .	7.7	3.1	4.8	5.8	4.2	3.7
*Petroleum and petrol . . .	1.4	1.3	1.1	2.0	1.6	2.3
Machinery	4.9	1.7	3.0	2.0	2.4	3.4
Various other goods . . .	15.7	8.0	11.4	6.5	5.8	6.0

* Petrol is not included prior to 1934.

Textile imports have decreased considerably in value since 1933. Iceland has been affected by the falling prices in foodstuffs during the depression and by the increased prices of metal goods and coal during the more prosperous years. The lack of capital has been a handicap and has led to the Government's intervention in economic affairs, especially during the last five years. In agriculture and trade, and to some extent in fishing, the need for more capital and for organized investment stimulated the development of co-operation, which has now become an important factor in the country's economic and political life.

GOVERNMENT AID TO TRADE

The Government's activities have taken the form of direct entry into enterprises as well as the control and support of measures designed to help trade and industry. Exchange and trade control, for instance, has been in effect since 1931. Permits from the authorities must be obtained for large imports. All foreign exchange received from abroad must be offered to either of the two important banks in Iceland at a rate fixed by the Government. Due to the seasonal nature of Iceland's export trade, there is difficulty in spreading the supply of exchange over the year.

The Government has provided itself with revenues by purchases and by sales monopolies over certain goods as well as by the right of fixing prices for these goods. It has a monopoly of the trade in wines, spirits, matches, fertilizers (1929), wireless apparatus and parts (1930), other electrical apparatus (1935), automobiles (1935) but not spare parts, and, finally, of the trade in vegetables (1936). The income derived from these monopolies constitutes about 15 per cent of the total revenue, customs bringing in approximately 50 per cent, and taxes about 20 per cent. The Government's advances to industry are important. In 1936 they amounted to 3.2 million kronur or 20 per cent of the total expenditure. This sum does not include grants made to the communication and transport systems, which do not contribute anything towards revenue. Industry and communications together absorb about one-third of the Government's total expenditure. Among the Government's other contributions may be mentioned the support given in the form of credit to agriculture, co-operation in the fishing industry and its sales organizations, etc. The Government has also financed enterprises such as herring oil factories to the extent of 3.5 million kronur in 1936.

DISTRIBUTION OF FOREIGN TRADE

The geographical distribution of Iceland's foreign trade has played an important part in the country's economic situation during recent years. The following table shows the value of imports into Iceland by principal supplying countries in 1929, 1932, 1934, 1936, and 1937, and the percentages for each country in 1929 and 1937:—

Imports into Iceland by Principal Countries

	1929		1932	1934	1936	1937	
	1,000 I. kr.	Per Cent	1,000 I. kr.	1,000 I. kr.	1,000 I. kr.	1,000 I. kr.	Per Cent
Sweden	4,009	5.2	1,246	2,715	4,471	4,878	9.6
Norway	8,902	11.5	4,372	6,150	2,932	4,851	9.4
Denmark	21,641	28.1	8,168	12,169	7,059	7,424	14.4
Italy	166	0.2	109	1,218	2,368	4,391	8.3
Portugal	1	....	93	236	393	169	0.5
Spain	2,997	3.9	2,196	1,675	1,753	255	0.8
Great Britain	20,664	26.8	12,304	15,673	11,515	13,505	26.5
Germany	11,620	15.1	5,123	6,254	9,444	10,843	20.1
United States	2,230	2.9	492	1,078	510	846	1.9

The value of imports from Denmark in 1937 had fallen to about a third the 1929 value. Despite this decrease imports from Denmark of grain, animal fats (especially margarine and margarine oils), and mineral oils (fuel and lubricating oils) have remained practically unchanged. The greatest decline in value of Danish exports to Iceland is to be found in textiles and clothing, leather goods, iron goods, machinery, and ships. Italy, Sweden, and Germany have gained an increased share of Iceland's imports. The increased imports from Italy comprise chiefly textile goods and minerals, while the increase from Germany covers a variety of goods. With regard to Germany, the present situation appears to be a return to the position during the prosperous years before 1930. Imports from Great Britain have fallen in value by about a third since 1929 or about as much as the decline in value of Iceland's total imports. Imports from Spain have decreased in value, as have exports to that country.

The following table shows the value of exports from Iceland to principal purchasing countries in 1929, 1932, 1934, 1936, and 1937:—

Exports from Iceland to Principal Countries

	1929	1932	1934	1936	1937
	1,000 I. kr.	1,000 I. kr.	1,000 I. kr.	1,000 I. kr.	1,000 I. kr.
Sweden	3,808	2,405	2,999	4,002	3,949
Norway	5,327	2,942	4,049	4,984	7,328
Denmark	5,779	2,692	4,348	3,931	5,139
Italy	9,039	6,643	5,568	2,832	2,691
Portugal	3,571	3,414	8,315	6,169	5,411
Spain	25,941	13,339	7,921	1,360	364
Great Britain	12,466	6,356	6,484	7,417	10,239
Germany	5,342	5,006	4,271	8,163	11,048
United States	2,298	1,346	2,598	5,432	4,482

Because of reduction by Italy, and especially by Spain, in their fish imports from Iceland, these countries' shares of Iceland's total exports have shrunk considerably. In 1929 Iceland's exports to Spain were over one-third of total exports; at present they are below 1 per cent. The value of Italy's imports from Iceland is now only one-third of what it was in 1929. Exports to Portugal have increased, as have those to Germany and Norway. Because of greater purchases of fish liver oils the United States has gained in importance as a customer.

Latest statistics, covering the period January to September, 1938, show that imports from Germany into Iceland have increased considerably as compared with the corresponding period of 1937, while exports to that country

from Iceland fell by about one-third. On the other hand, Iceland's exports to Great Britain increased to such an extent that the balance of trade against Iceland was very slight.

Summing up, it may be said that barter policy and a stricter application of the principles of reciprocity have influenced Iceland's foreign trade. The distribution of Iceland's export trade has lost its former one-sided character and new markets have been opened up. At the same time the extensive measures adopted to regulate imports, together with the Government's increasing participation in industry and trade, have stimulated industrial development.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 41, Hamilton District, 50 kv. submarine cable, terminal structures, telephone cable (tenders close November 7, 1939); Section 46, Hamilton District, 11,000 volt switchgear and associated equipment (tenders close October 31, 1939).

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORTS SUBJECT TO LICENCE

Mr. H. A. Scott, Acting Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of September 5 states that a Board of Trade order, effective from that date, prohibits, except under licence, imports into the United Kingdom of luxuries and of goods of which there are sufficient home supplies, in order to conserve exchange for additional essential products. The main categories of goods covered by the order are pottery and glass, cutlery, clocks, watches, textile goods and apparel, including footwear, certain chemicals and paints, soaps, office machinery, including typewriters, motor cars, musical instruments, perfumery and toilet requisites, toys and games, and luxury foodstuffs. The licensing authority is the Imports Licensing Department, 25 Southampton Building, Chancery Lane, London, England.

Mr. W. B. Gornall, Canadian Fruit Trade Commissioner in London, also cabled on September 5 that Import Prohibition Order No. 1 prohibits the importation into the United Kingdom, except under licence, of fresh fruits and fresh and dried vegetables. Apples, pears, bananas, citrus fruits, tomatoes, onions, dried peas, beans, and lentils are exempt; plums and blueberries are not exempt. For fruit crystallized, glace, drained or otherwise preserved, licences will not be issued until further notice. Goods despatched prior to September 5 are not subject to the order.

Mr. Scott cabled further on September 6 that the category of luxury foodstuffs includes canned lobsters and hops, for which it is indicated licences will not be granted until further notice. Licences are also required for the following, but applications will be considered now: poultry, fresh, frozen, or chilled, tinned or not; honey, pickles, sauces, etc.; vegetables, preserved in airtight containers,

other than tomatoes. Manufactures wholly or mainly of rubber not elsewhere specified also require import licence.

Goods despatched to the United Kingdom before September 5 are not subject to restrictions. Regarding other goods under licence, importers are warned not to have goods shipped until they have licences.

PROCESSED MILK QUOTAS TAKEN OFF

With reference to the notices in *Commercial Intelligence Journal* No. 1847 (June 24), page 1026, and No. 1849 (July 8), page 88, announcing that imports of processed milk into the United Kingdom would be subject to import licence and quota allotments to supplying countries, Mr. G. R. Paterson, Acting Animal Products Trade Commissioner in London, cabled on September 1 that the British Board of Trade advise that the processed milk quotas have been taken off, although licences to import are still required.

Cyprus

ADMINISTRATION OF WHEAT AND FLOUR IMPORT RESTRICTIONS

With reference to the announcement in *Commercial Intelligence Journal* No. 1854 (August 12, 1939), page 335, concerning imports of wheat and flour into Cyprus, Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, writes that before effecting shipments of wheat or flour to Cyprus, Canadian exporters will be well advised to ascertain whether importers have obtained the necessary import permit. He quotes a press statement to the effect that the Cyprus authorities, in calling attention to the order in council prohibiting importation of wheat and flour into the Colony except under licences issued by the Director of Agriculture, stated that such licences may be withheld at his discretion and may be subject to any conditions which he sees fit to impose. The statement continues: "It is intended to limit the quantities of wheat and flour admitted into the Colony during the coming months as part of a scheme which has been prepared with the object of ensuring a ready market at reasonable prices for stocks of local wheat now available for sale. During the next three months importations will be strictly restricted and at the end of this period the position will be reviewed. In addition to this temporary restriction of imports the Co-operative Central Bank, with the approval of the Government, is arranging for the purchase of wheat produced by members of Co-operative Societies which are members of the Bank at prices ranging between 36 and 38 piastres (\$1.00 and \$1.08) per kilo (one kilo is equal to about one bushel). The price of bread will be watched so that the necessary steps may be taken to prevent any undue rise in price which would cause hardship to people who do not produce their own wheat."

United States

TEMPORARY FREE ADMISSION OF VEHICLES AND TEAMS FROM CANADA

The scope of United States Treasury Decision 49664 of July 28, 1938, which granted certain privileges of importation from Canada into the United States of automobiles and similar vehicles solely for touring purposes, has been extended by Treasury Decision 49935 of August 15, 1939. These decisions are pursuant to Section 308(5) of the Tariff Act of 1930, as amended, which provides for exemption from import duty, under prescribed conditions. Treasury Decision 49935 authorizes collectors of customs "to defer for a period of not to exceed six months the requirement of a bond to secure the exportation of automobiles, motor cycles, bicycles, carriages, and teams imported from Canada under the provisions of Section 308(5) for the transportation of the non-resident importer, his family and guests, and such incidental carriage of articles as may be necessary and appropriate to the purposes of the journey, but not to be used for the transportation of persons or articles for hire, nor in any case primarily for the carriage of articles."

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 5, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, September 5, 1939, and for the week ending Monday, August 28, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 28	Nominal Quotations in Montreal Week ending Sept. 5	Official Bank Rate
Belgium	Belga	.1001	\$.1730	\$.1871	2½
Bulgaria	Lev	.0072	.0123	—	—
Denmark	Krone	.2680	—	.2105	3½
Finland	Markka	.0252	—	—	—
France	Franc	.0392	.0251	.0255	2
Germany	Reichsmark	.2382	.3939	—	—
Great Britain	Pound	4.8666	4.3867	4.4525	4
Greece	Drachma	.0130	.0088	.0087	6
Holland	Guilder	.4020	.5497	.5812	2
Hungary	Pengo	.1749	—	—	—
Italy	Lira	.0526	.0539	.0570	4½
Yugoslavia	Dinar	.0176	—	—	—
Norway	Krone	.2680	—	.2485	3½
Poland	Zloty	.1122	—	—	—
Portugal	Escudo	.0442	.0427	.0408	4-4½
Roumania	Leu	.0060	—	—	—
Spain	Peseta	.1930	.1125	.1205	4
Sweden	Krona	.2680	.2437	.2601	2½
Switzerland	Franc	.1930	.2313	.2455	1½
United States	Dollar	1.0000	1.025	1.095	1
Mexico	Peso	.4985	.1730	—	—
Cuba	Peso	1.0000	—	—	—
Guadeloupe	Franc	.0392	.0252	.0255	—
Jamaica	Pound	4.8666	4.3970	4.4635	—
Martinique	Franc	.0392	.0252	.0255	—
Other British West Indies	Dollar	1.0138	.9139	.9276	—
Argentina	Peso	.4245	—	—	—
	Unofficial		.2306	.2519	3½
Brazil	Milreis (Paper)	.1196	.0621	—	—
	Unofficial		.0514	—	—
British Guiana	Dollar	1.0138	.9139	.9276	—
Chile	Peso	.1217	.0530	.0567	—
	Unofficial		.0410	.0438	3-4½
Colombia	Peso	.9733	.5838	.6240	4
Peru	Sol	.2800	—	—	—
Venezuela	Bolivar	.1930	—	—	—
Uruguay	Peso	1.0342	.5744	.5870	—
	Unofficial		.3473	.3785	—
South Africa	Pound	4.8666	4.3757	4.4414	3½
Egypt	Pound (100 Piastres)	4.9431	4.5000	4.5650	—
China (Shanghai)	Dollar	—	.0700	.0748	—
Hongkong	Dollar	—	.2729	.2758	—
India	Rupee	.3650	.3249	.3312	3
Japan	Yen	.4985	.2538	.2590	3.20
Java	Guilder	.4020	.5499	—	—
Thailand (Siam)	Baht (Tical)	.4424	.4018	.4084	—
Straits Settlements	Dollar	.5678	.5124	.5165	—
Australia	Pound	4.8666	3.5100	3.5620	3
New Zealand	Pound	4.8666	3.5237	3.5764	4

The Dominion Bureau of Statistics has supplied the following note:—

The pound sterling recovered as the British Equalization Fund again intervened moderately. By August 30 it was quoted at \$4.4015 in relation to the United States dollar as compared with \$4.3692 on August 29. A sharp drop to \$4.2873 occurred on the following day as political tension in European centres increased. The downward movement continued and by September 2 quotations had fallen to \$4.20, netting a loss of about 20 cents between the week's high and low. The Canadian dollar also weakened. Premiums on United States funds declined from 2 per cent to 1½ per cent between August 29 and 30 and then mounted steadily to 5½ per cent by September 2. The French franc rose from 2.540 cents to 2.553 cents between August 29 and 30 but closed easier at 2.52 cents. The Netherlands florin and the Swiss franc strengthened latterly on indication of the movement of capital to these centres. Between August 29 and September 2 the Netherlands florin had risen intermittently from 54.63 to 59.87 cents and the Swiss franc from 23.04 to 23.84 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Salmon.....	384	Salisbury, Rhodesia.....	Agency.
Miscellaneous—			
Watches, Wrist and Pocket.....	385	Port-au-Prince, Haiti.....	Purchase.
Children's Rubber Balls.....	386	Melbourne, Australia.....	Agency.
Pressed Metal Fasteners.....	387	London, England.....	Purchase.
Leathers (Sole, Upper, Patent, etc.).....	388	London, England.....	Purchase and Agency.
Paper Towels.....	389	Dublin, Ireland.....	Purchase.
Wallpaper Ends.....	390	Singapore, Straits Settlements.....	Purchase.
Miniature Indian Birch Bark Canoes.....	391	Bristol, England.....	Purchase and Agency.
Veneer (Spruce, Hemlock or Western Larch).....	392	Parow, South Africa.....	Purchase.
Box Shooks.....	393	Bristol, England.....	Purchase.
Douglas Fir Handles (Rake, Broom, Mop).....	394	Cape Town, South Africa..	Agency.
Wood Handles.....	395	Brierley Hill, Staffs, England.....	Purchase.
Road Making Equipment (Trac- tors, Angle Dozers, Scraper Loaders).....	396	Singapore, Straits Settlements.....	Purchase.

PROPOSED SAILINGS FROM CANADIAN PORTS

The list of proposed sailings from Canadian Atlantic and Pacific ports will not be published in the *Commercial Intelligence Journal* until further notice.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER. Address for letters—90 Queen Street. Office—Safe Deposit Office Building. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

520 **CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.**

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—93 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

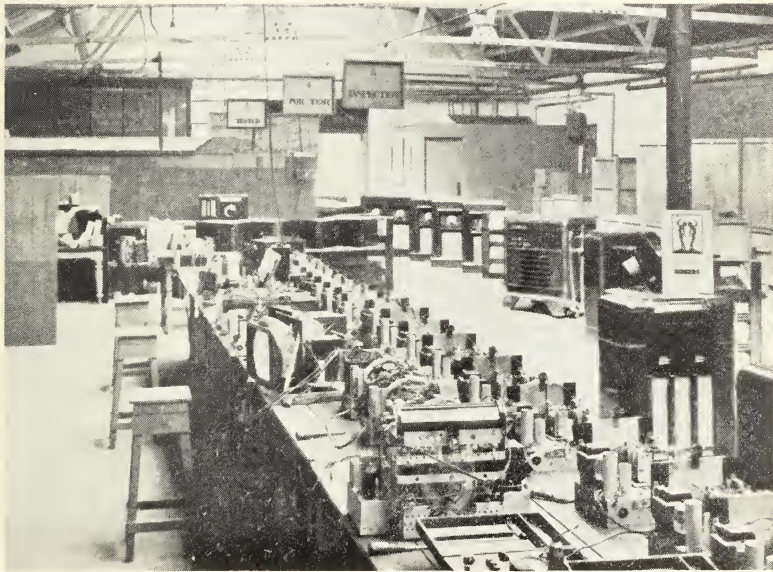
Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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No. 1859



Interior View of Assembly Plant in the United Kingdom for Canadian-made Radios

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Ottawa, September 16, 1939

No. 1859

CONTROL OF UNITED KINGDOM IMPORT TRADE

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

London, September 6, 1939.—Immediately upon the outbreak of war the Board of Trade announced that they had made an order under the Imports, Exports, and Customs Powers (Defence) Act, 1939, prohibiting imports into the United Kingdom of certain goods except under licence. The chief purpose of the restrictions is to conserve exchange for the purchase of more essential commodities.

Appended is a list of goods the importation of which is prohibited except under licence issued by the Import Licensing Department of the Board of Trade, whose headquarters are at 25 Southampton Buildings, Chancery Lane, London, W.C.2. According to a notice issued by the Department:—

1. Goods on the list which are shown to the satisfaction of the proper Officer of Customs and Excise at the time of importation to have been despatched to the United Kingdom before September 5, 1939 (the date on which the order comes into force) will not be subject to the order. In respect of any other goods, importers are warned that they should not arrange to ship until they have either obtained a licence or ascertain definitely that a licence will be available.
2. When making the customs entry for any listed goods the importer must furnish to the Customs one extra copy of the entry.
3. The restrictions apply also to goods sent by parcel post.
4. Until further notice no licences will be issued for categories of goods on the attached list against which there is an asterisk.
5. In respect of the remaining goods, licences will be issued to importers for limited quantities, the allocations being calculated for the time being by reference to the trade of each importer during the twelve months ended August 31, 1939.
6. Persons who have imported any of the goods in respect of which licences may be issued and who wish to continue to do so, should apply at once to the Import Licensing Department for a form on which to make a statement of their past trade and for application forms for licences. Care should be taken with the preparation of returns of past trade, since an incorrect declaration will render an importer liable to penalties.
7. Importers will be informed as soon as possible of the amount of trade in respect of which they may apply for licences during a period which will be specified, but they should note that even after they have received this intimation they should not arrange shipments without first obtaining a licence for the particular transaction.
8. The attention of importers is also called to the fact that the operation of the existing schemes whereby goods are prohibited, under various earlier enactments, orders, etc., to be imported except under the authority

of a Board of Trade licence is suspended by the present order. Where such goods (viz. arms and ammunition, dyestuffs and plumage) are included in the attached list, applications for import licences must in future be made to the Import Licensing Department; all unused licences issued prior to the coming into force of this order are revoked.

LIST OF GOODS

*Flowers, Foliage, etc.

Cut flowers; foliage; trees, shrubs and plants, whether producing edible fruits or not, or whether in flower or not; bulbs, corms, crowns, tubers, rhizomes, and roots, whether in flower or not.

*Pottery, etc.

Pottery and other shaped and fired clay products (other than laboratory porcelain liable to duty under the Safeguarding of Industries Act, 1921, as amended and extended by subsequent Finance Acts, and articles of translucent or vitrified pottery of a description commonly used for industrial purposes).

Glass and Glassware

Glass and glassware (other than optical glass and optical elements, whether finished or not, and scientific glassware liable to duty under the Safeguarding of Industries Act, 1921, as amended and extended by subsequent Finance Acts) the following:—

Illuminating glassware (other than flash lamp bulbs of 4·5 volts or less) not elsewhere referred to.

*Plate and sheet glass, other than spectacle glass.

*Articles of the following descriptions made wholly or partly of plate or sheet glass: glass mirrors, shelves, finger plates, table tops, and advertisement tablets.

*Glass bottles, jars, and tubular containers, and stoppers and covers for bottles and jars.

*Glassware of a kind commonly used for domestic purposes.

*Stationery glassware.

Rough glass in the mass, waste and broken glass, and crushed glass (in powder, including chips).

Stones and Slates

Slate and other building or road stone, granite and marble, whether prepared or not.

Cutlery

Cutlery (other than surgical knives or knives for use in machines).

Needles

Needles (other than hosiery latch needles) and crochet hooks.

*Clocks and Watches

Clocks and watches, including articles of which a clock or watch forms a substantial part, other than such articles of a description commonly used for industrial purposes.

Electric Lighting Appliances

Hand lamps, pocket lamps, hand torches and inspection lamps and parts therefor (other than batteries and flash lamp bulbs of 4·5 volts or less).

Electric lamp bulbs and parts thereof other than flash lamp bulbs of 4·5 volts or less.

*Fittings and accessories of the kind used in interior electric lighting systems of the following descriptions:—

Brackets, pendants, candelabra, and electroliers and fittings therefor.

Ceiling roses.

Fuse holders and bases, fuse and distribution boards and boxes.

Lamp holders.

Lanterns.

Shades, bowls and reflectors, and fittings and holders therefor.

Sockets, plugs, adaptors and connectors.

Switches.

Table and floor standards.

Parts of any of the above-named articles.

Machinery

Office machinery of the following kinds:—

Typewriters, cases therefor and parts thereof other than inked ribbons.

Complete or substantially complete accounting machines.

Complete or substantially complete duplicating machines.

Complete or substantially complete addressing machines.

*No licences will be issued for the import of these goods until further notice.

Machinery—Concluded

- *Cash registers and parts thereof.
- *Dry cleaning and laundering machines, the following:—
 - Cleaners and washers.
 - Driers.
 - Wringers.
 - Ironing machines.
 - Any combination of the above machines.
- *Hair waving machines and parts thereof.
- *Vacuum cleaners.

Manufactures of Wood and Timber

Builders' woodwork, including hewn, sawn, planed or dressed wood and timber other than the following:—

- (i) Square cut planed or dressed wood or timber not further prepared than rebated, tongued and grooved along the sides, and V-jointed (other than centre V-jointed).
- (ii) Hewn, sawn and planed softwood, not further prepared or manufactured except as detailed below:—
 - (a) Softwood weather boards, floorings and matchings, planed on one or more sides, with or without profiling on one or more sides.
 - (b) Softwood skirtings with board and profile in one piece.
 - (c) Softwood boards which are tongued, grooved, beaded, V-jointed, rebated, chamfered, centre beaded, centre V-jointed or round-edged, if profile, the board and profile to be in one piece.

Articles manufactured wholly or partly of wood:—

- *Furniture and cabinet ware.
- *Beadings and mouldings (including mouldings for picture frames, gilt or not).
Trunk and suitcase hoops.
- *Domestic woodware (bread platters, trays, pastry-boards, wash-boards, spoons and forks, clothes pegs, skewers and the like).
- Wooden containers (boxes, barrels, etc.) complete, other than such articles in use at the time of importation as carriers of goods.
- Parts of wooden containers, other than cask heads consisting of a single circular sheet of wood, wooden sections of cask heads not dowel-holed or pegged, cask hoops, wood bungs and staves.
- *Wooden heels.

Manufactures of Cotton, Wool, Silk and Artificial Silk

Manufactures wholly or mainly of cotton, wool, silk, or artificial silk or mixtures thereof (other than cotton, wool or silk yarns, or yarns consisting of mixtures of cotton, wool or silk, cotton thread and silk noil tissue).

***Linen and Hemp Manufactures**

Linen and hemp manufactures including manufactures of flax or hemp mixed with other materials, the following:—

- Damask table linen.
- Handkerchiefs.
- Towels of all descriptions.
- Other made-up linen goods of a description commonly used for domestic purposes.

***Embroidery**

Embroidery and embroidered articles, not elsewhere specified, which at any state of manufacture have been subjected, as to the whole or a part thereof, to a process of embroidery by hand or machine needlework or to a process producing a similar effect.

Apparel

Apparel (including footwear) not elsewhere specified.

Chemicals, etc.

Chemical manufactures and products, the following:—

- *Acids, the following:
 - Citric acid.
 - Formic acid.
 - Oxalic acid.
 - Tartaric acid.

Chemicals—Concluded

*Bleaching materials other than bleaching powder (chloride of lime).

*Chloral hydrate.

*Collodion.

Disinfectants, insecticides, weed-killers, fungicides, and sheep and cattle dressings, except tobacco oil.

*Citrate of lime.

Nicotine and nicotine sulphate.

*Salt (sodium chloride).

*Sodium compounds, the following:—

Carbonate, including soda crystals, soda ash and bicarbonate.

Caustic.

Cyanide.

Phosphate.

Sulphate.

Silicate (water glass).

Dyes and dyestuffs, the following:—

(a) synthetic, organic dyestuffs (including pigment dyestuffs), whether soluble or insoluble;

(b) compounds, preparations and articles manufactured from any such dyestuffs, except any such compounds, preparations and articles as are not suitable for use in dyeing; and

(c) organic intermediate products used in the manufacture of any such dyestuffs.

Painters' and printers' colours and materials, the following:—

Paints (including anti-corrosive and anti-fouling) painters' enamels, lacquers and varnishes.

Distempers, whether dry or not.

Pigments and extenders (whether dry or with oil or other medium) other than the following:—

Natural dyes, silica, cadmium, lithopone, luminous paints and luminous and radio-active powders of a kind used in the manufacture of luminous paints, graphite, carbon black from natural gas or acetylene.

Putty.

Printers' ink.

***Soap**

Soap of all descriptions.

Leather Manufactures

*Leather manufactures, the following:—

Saddlery and harness.

Trunks, bags, wallets, pouches and other receptacles, whether fitted or not of leather or of material resembling leather.

Other goods manufactured wholly or mainly of leather.

Vehicles

*Motor cars, motor bicycles and motor tricycles (other than lorries, omnibuses, fire engines, ambulances and tractors).

Parts not elsewhere specified of road motor vehicles (including tires and tubes other than those imported with complete vehicles as part of their equipment) other than sparking plugs and magnetos.

Rubber Manufactures

Manufactures wholly or mainly of rubber, not elsewhere specified.

Arms and Ammunition, the following:—

(i) Firearms, lethal, including any lethal barrelled weapon of any description from which any shot, bullet or other missile can be discharged and other weapons of whatever description designed or adapted for the discharge of any noxious liquid, gas or other thing;

(ii) Component parts of any such firearm or other weapon as aforesaid, and any accessory to any such firearm or other weapon designed or adapted to diminish the noise or flash caused by firing the weapon;

(iii) Ammunition, including grenades, bombs and other like missiles and any ammunition containing or designed or adapted to contain any noxious liquid, gas or other thing, and component parts of any such ammunition.

Beads, etc.

*Beads and bead trimmings and articles manufactured mainly of beads.

*No licences will be issued for the import of these goods until further notice.

Books, Printed Matter, etc.

Books, printed, and other printed matter for reading purposes, including music, catalogues, trade lists and advertising material; and manuscripts and typescripts and like products of duplicating machines; other than those imported in single copies through the post.

Brooms and Brushes

Brooms and brushes (not being brushes designed for use solely as parts of machinery) and parts thereof.

Miscellaneous Manufactures

*Goods (other than spirits and wines) manufactured more than one hundred years before the date of importation.

*Goods of the following descriptions:—

Articles made wholly or partly of ivory, amber, jet, coral, mother of pearl or natural shells, including tortoise-shell.

Articles (other than weighing machines, scales and balances) made wholly or partly of jade, onyx, lapis lazuli or other similar stones.

Smokers' ash receptacles, cigar and cigarette cases and boxes and articles of which such cases or boxes form part, cigarette holders, cigar holders.

Pincushions, tape measures, in ornamental containers.

Photograph and picture frames, inkstands, fancy blotters, book-ends.

*Cork carpet, felt base floor coverings, linoleum, oil baize and other oilcloth and leather cloth being fabrics with a cotton base other than oilskin.

*Flowers, foliage and fruit, artificial, and articles incorporating them.

*Fur and other skins, dressed (except leather), including pieces and manufactures wholly or partly thereof.

Haberdashery, hard, whether finished or unfinished, the following:—

Buttons.

*Eyelets of metal, including tubular rivets and boot hooks.

*Hair combs, including combs for wear, and blanks therefor.

*Hooks and eyes.

*Pins.

*Snap fasteners and slide fasteners.

*Studs.

*Hairclips, hairgrips and hair curlers.

*Buckles and parts thereof.

*Goldsmiths' and silversmiths' wares (including wares of platinum and articles of base metal whether plated or not) other than watch cases; jewellery and imitation jewellery.

*Musical instruments, including gramophones, pianolas and other similar instruments and accessories and component parts of musical instruments (other than sound heads) and disc records.

*Perfumery and toilet preparations.

*Toilet requisites of the following descriptions: powder bowls or boxes and powder puffs, and parts thereof; nail polishers; nail clippers; nail cleaners and files; denture bowls; manicure sets, and parts thereof.

*Pictures, prints, engravings and photographs (other than maps, architectural or engineering designs and hydrographic charts).

*Perfumed spirits.

*Sports, games, gymnastics and athletics—appliances, apparatus, accessories and requisites therefor (other than untrimmed natural silkworm gut in hanks or bundles) and parts thereof.

Stationery (other than paper and inked ribbons for typewriters).

*Toys and parts thereof.

*Umbrellas, sunshades, walking sticks, canes and whips, including parts and fittings thereof.

*Plumage, other than plumage of birds imported alive, and of birds ordinarily used in the United Kingdom as articles of diet.

Poultry and game, fresh, chilled or frozen, whether tinned or not.

Meat extracts and essences.

***Poultry and meat pastes**, poultry liver (except raw liver) whether mixed or not; sausages, tinned, canned or otherwise preserved; and meat pies.

Fruit, fresh or raw, other than apples, pears, bananas, oranges, grapefruit, lemons, limes and other citrus fruits.

*No licences will be issued for the import of these goods until further notice.

Nuts used as fruit.

Fresh vegetables other than potatoes, tomatoes and onions.

Table waters, cider and perry, and fruit juices.

*Biscuits.

*Caviare.

Shell fish, fresh for food (not of British taking).

*Canned (or otherwise preserved) fish, the following:—

Crab.

Lobsters.

Oysters.

*Confectionery of all kinds and fruit, crystallized, glace or Metz, drained or otherwise preserved (including candied peel and ginger).

Honey.

*Hops, hop oil and extracts or other similar preparations made from hops.

Isinglass.

Licorice.

Pickles, sauces and prepared condiments.

*Vegetables, dried, other than peas, beans and lentils.

Vegetables, preserved in airtight containers, other than tomatoes.

Yeast.

*No licences will be issued for the import of these goods until further notice.

INTERPRETATION OF ITEMS

Mr. H. A. Scott, Canadian Trade Commissioner at London, advises that the customs authorities, collaborating with the Import Licensing Department, are empowered to decide which products specifically come within the broader classification of the items in the foregoing list.

TRADING WITH THE ENEMY—GERMAN REICH

Order in Council (P.C. 2512) of September 5, 1939, passed under the War Measures Act, brought into force extensive regulations which prohibit trading with the enemy during the present war. The enemy is defined as any state or sovereign of a state at war with His Majesty. The prohibition extends to persons, companies, etc., within such state. The order prescribed regulations relating to enemy property and appointed the Secretary of State as custodian. Full particulars may be obtained from the Custodian, Department of the Secretary of State, Ottawa. A second Order in Council (P.C. 2586) of September 8, 1939, relating to "apprehended state of war" specifies the German Reich as an enemy state.

DISTRIBUTION OF UNITED KINGDOM TRADE, JANUARY TO JUNE

H. A. SCOTT, ACTING CHIEF CANADIAN TRADE COMMISSIONER IN THE
UNITED KINGDOM

London, August 29, 1939.—The overseas trade of the United Kingdom during the first six months of 1939 was the subject of a report published in *Commercial Intelligence Journal* No. 1850 (August 12, 1939). A further analysis published in a recent issue of the *Board of Trade Journal* permits additional examination of the figures already issued in regard to total United Kingdom exports and imports during this period, as well as the trend in terms of percentages of this country's overseas trade with other countries.

TOTAL VOLUME OF TRADE

Figures previously published for United Kingdom trade during the first six months of the current year indicate that the value of imports decreased by about 5 per cent, while the declared value for exports rose by slightly over 1 per cent, as compared with the corresponding period of 1938. Average import values in the aggregate are shown to have declined by 6 per cent, while average export values fell by 4 per cent. When the effect of these changes in price levels is eliminated, total imports are shown to have increased by 2 per cent in volume and total exports by 5 per cent.

DISTRIBUTION OF TRADE

It should be noted that the changes in price level referred to above relate to imports and exports as a whole and not to trade with individual countries or groups of countries, where the price variation is dependent upon the composition of trade actually carried on. The figures given below, therefore, are based on the aggregate value of trade as actually recorded during the several periods under review, and do not take into account either changes in these aggregate values or of variations in the price level.

Comparative data for the distribution of United Kingdom trade between British and foreign countries for the first six months of 1929, 1938, and 1939 are as follows:—

	January-June			January-June		
	1929	1938	1939	1929	1938	1939
	£'000	£'000	£'000	Per Cent	Per Cent	Per Cent
Imports from:						
British countries	190,139	191,182	179,885	31.44	40.71	40.16
Foreign countries	414,639	278,436	268,001	68.56	59.29	59.84
All countries	604,778	469,618	447,886	100.00	100.00	100.00
Exports (British produce) to:						
British countries	158,902	117,209	113,875	44.29	50.26	48.19
Foreign countries	199,840	115,985	122,444	55.71	49.74	51.81
All countries	358,742	233,194	236,319	100.00	100.00	100.00
Exports (imported merchandise) to:						
British countries	11,087	5,712	5,653	18.31	17.39	20.12
Foreign countries	49,475	27,136	22,448	81.69	82.61	79.88
All countries	60,562	32,848	28,101	100.00	100.00	100.00

TRADE WITH BRITISH COUNTRIES

The proportion of United Kingdom imports consigned from British countries was somewhat less than in the corresponding period of 1938, due mainly to declines in shipments by Australia and British Malaya. Imports from Ireland and the British West Indies, on the other hand, increased considerably. Compared with the first half of 1929, however, the proportion of trade enjoyed by British countries, notably Canada and Australia, was substantially higher.

Exports to British countries during the first half of this year were appreciably lower than in the January-June period of 1938. Reductions took place in exports to Australia, the Union of South Africa, and Canada, while the only substantial increase was in respect to Ireland.

TRADE WITH CANADA

Although the value of United Kingdom imports from Canada in the first half of 1939 decreased to £35,649,575 as compared with £37,105,554 in the corresponding six months of 1938, Canada's share of total United Kingdom importations was 7.96 per cent as compared with 7.9 per cent the previous year. During the same period United Kingdom exports to Canada decreased to a value of £10,696,819 as compared with £11,324,741 in the first half of 1938. The comparative percentages of United Kingdom export trade were 4.53 and 4.86 respectively. Re-exports to Canada in the period had a value of £521,177 as compared with £577,764, representing 1.85 per cent of the United Kingdom's total re-exportations as compared with 1.76 per cent for the corresponding six months of 1938.

SCOTTISH PRODUCE MARKETS

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

BACON

Glasgow, July 31, 1939.—Imports of bacon into Scotland from the principal sources of supply in the first six months of 1939, 1938, 1937, and 1936 are shown in the following table:—

Imports of Bacon into Scotland, January to June

	1939	1938 Cwts. of 112 Pounds	1937	1936
Total..	58,721	76,357	63,552	64,555
Denmark..	40,201	53,961	42,330	43,228
Netherlands..	6,449	7,966	7,934	7,038
Canada	1,878	3,462	2,803	2,803
Ireland..	9,499	10,033	9,574	8,699
Sweden..	663	901	899	961

It will be seen that total imports have declined during the last four years, but the decline was at a slower rate than for several years previously. In the first six months of 1933 total imports of bacon into Scotland were 177,871 cwts., in the corresponding period of 1936 they were 64,555 cwts., and in that of this year 58,721 cwts., a total decline of 67 per cent in six years. To some extent this large decline is due to increased domestic production; but there are two other important factors. One is the phenomenal increase in imports of frozen pigs from New Zealand and Australia; the other the fact that European countries have been hit very badly by foot-and-mouth disease. Denmark, for example, cannot supply enough bacon, and quotas from other countries have had to be increased. While imports from Canada are somewhat insignificant as compared with total imports, the decline in shipments from the Dominion from 3,270 cwts. in the six months of 1933 to 1,878 in 1939 is 42 per cent only. Imports from each supplying country except Ireland show a substantial falling off as compared with 1933, the decline being particularly heavy in the Danish trade.

In spite of the general downward trend of imports, there remains a substantial demand for imported bacon and considerable scope for Canadian exporters to gain a far larger share of the trade.

Present prices of imported bacon per cwt. ex quay are as follows: Danish, 94s. to 102s.; Swedish, 89s. to 95s.; Dutch, 90s. to 98s.; Irish, 90s. to 94s.; Canadian, 87s. to 92s.

HAMS

Imports of hams from the principal supplying countries in the first six months of 1939, 1938, 1937, and 1936 are shown in the following table:—

Imports of Hams into Scotland, January to June

	1939	1938 Cwts. of 112 Pounds	1937	1936
Total..	31,133	31,154	23,055	22,533
United States	29,862	30,308	20,969	19,765
Canada	24	....	1,000	851
Ireland..	1,147	846	1,067	1,920
Italy.. . . . .	....	....	19	....

There is an abundance of United States hams in the Scottish market, the price ranging from 87s. for good A.C. hams weighing 16 to 18 pounds to 92s. for 14 to 16 pounds. Canadian hams are too dear for the market. Belfast hams, which are in a class by themselves, are much above these prices.

With hams, as with bacon, there was a heavy fall in total imports during the first six months of the year from 1933 to 1936, but since 1936 there has been a moderate increase. However, Canada did not share in the increase, perhaps because market prices have not been sufficiently attractive to Canadian exporters, and also because of a shortage of supplies for export. Canadian hams are well liked and members of the trade, while recognizing the price situation, believe that regularity of supply would eventually increase the demand.

CHEESE

The following table shows cheese imports in the first half of each year from 1936 to 1939:—

Imports of Cheese into Scotland, January to June

	1939	1938	1937	1936
		Cwts. of 112 Pounds		
Total	75,140	82,491	82,890	65,095
New Zealand	63,438	63,971	64,310	56,377
Netherlands .. . . .	....	8,925	9,467	8,547
Australia .. . . .	....	9	....	53
Canada	3,003	7,987	6,681	3,173
Denmark	762	663	1,524	896
Ireland	424	409	210	186
Switzerland	504	485	449	198

As will be seen from the above table, New Zealand's shipments to Scotland have varied little during the first half of the four years, while Canada's shipments in 1937 and 1938 were about double those of 1936 and this year fell below even the small amount shipped in 1936 direct to Scotland.

It may be well to repeat once more that Canadian cheese is recognized by the trade as the finest quality imported cheese of its type. The best-informed retailers consider that, when properly matured, it has a flavour approaching closely that of the best home-produced cheddar. In the retail shops it is at present selling for 1s. per pound (24 cents) as against 8d. (16 cents) for New Zealand and 1s. to 1s. 2d. (24 to 28 cents) per pound for the finest matured Scottish cheddar and Cheshire cheese.

The obstacle to increased sales of matured Canadian cheese at the above premium over New Zealand is due to the fact that the large cheese-consuming public here eats cheese as a sustaining food rather than as a delicacy and cannot afford to go in for a luxury article. Householders willing and able to pay fancy prices are limited in number, as shown by the low sales of Italian Gorgonzola, Gruyère, and Camembert. Consumers generally buy New Zealand cheese because it is cheaper and not because of the allegedly superior publicity given it.

This year some complaints have reached this office regarding the quality of some of the Canadian cheese shipped to this market. The complaints related to discoloration and damage by mice. It is to be hoped that the causes of such complaints will be eliminated and that the deservedly high reputation of Canadian cheese on this market will be scrupulously maintained.

There is room on this market for really good cheeses at what is considered reasonable prices. With New Zealand makes this year showing no better quality than that of recent seasons' shipments, the prospects appear good for best Canadian makes. The extra wiring of the boxes is considered to be a great improvement.

Present prices of New Zealand cheese are 65s. per cwt. for white, ex warehouse (importer's selling price), and 67s. for coloured. The c.i.f. price of Canadian June cheese, this year's make, green, is about 64s. per cwt. The importer's price of last year's September's is 75s., this year's May make 65s., and May make guaranteed full grass 67s. Scotch coloured cheddars, factory make, are about 62s., and Scotch farmhouse cheddars, white and coloured, 65s.

BUTTER

The following table shows the imports of butter into Scotland in the first half of each year from 1936 to 1939 by principal supplying countries:—

Imports of Butter into Scotland, January to June

	1939	1938	1937	1936
		Cwts. of 112 Pounds		
Total..	398,351	472,049	473,320	441,090
Denmark..	169,918	220,874	220,700	200,734
New Zealand	75,592	111,505	122,078	98,600
Australia	20,780	18,022	10,806	37,382
Netherlands.. . . .	100,206	83,486	80,786	55,374
Ireland..	10,526	16,928	22,040	37,325
Sweden	14,707	18,304	15,566	10,223
Latvia..	1,845	2,449	....	....
Poland..	1,740	123	....	....
Canada	2,199	....	....	....

Among imported butters Danish and New Zealand are the most highly regarded in this market. Canadian butter is hardly known because it is so seldom on the market and then in such small quantities. Because of that fact prices obtainable are bound to be lower than those prevailing for such well-known and popular makes as New Zealand and Danish.

EGGS

Imports of eggs into Scotland in the first half of each year from 1936 to 1939 are shown in the following table:—

Imports of Eggs into Scotland, January to June

	1939	1938	1937	1936
		Figures in Great Hundreds		(120).
Total..	1,763,770	1,723,232	1,618,361	1,414,689
Ireland	487,773	485,707	451,566	562,373
Denmark	638,295	565,380	617,385	368,803
Poland..	249,564	245,127	167,046	300,228
Netherlands.. . . .	....	154,820	97,835	60,514
Finland..	56,569	74,761	81,423	9,189
Sweden	30,881	26,163	17,895	8,745
Belgium..	10,608	32,865	27,663	27,128
Australia..	9,964	7,635	7,905	15,385
China.. . . . .	....	2,250	300	15,000
Canada	21,876	29,786	....	15,261
Roumania	41,520	46,554	13,110	36,396

The decline shown above in imports from Ireland is a continuation of a process which has been going on since at least 1934, when imports into Scotland from that country for the first six months totalled over 837,000 great hundreds as compared with 487,000 this year. On the other hand, imports from Denmark have shown a substantial rise in the last four years, continuing an advance which began in 1934 with imports of 287,000 great hundreds as compared with 638,000 this year. Canada's share of the trade also shows a striking gain. The imports from the Dominion were only 1,500 great hundreds in the first half of 1934 as compared with 15,000 in the corresponding period of 1936 and 21,000 this year. This increase is at least partly due to the high quality and grading of Canadian eggs shipped to Scotland. Occasional breakages have been noticed owing to defective packing.

Latest prices per great hundred are: New-laid Irish, special 12s., standard 10s. 8d., selected 9s. 2d., ex quay; new-laid Danish, 10s. ex quay; Polish, 6s. 9d. ex quay; new-laid country, 14s. 7d. free on rail. No Canadian eggs are on offer at present.

SCOTTISH MARKET FOR PIT PROPS

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, August 16, 1939.—The British Minister of Mines stated in the House of Commons recently that Canada would be looked to as one of the sources of supply of pit props in case the North Sea was cut off or the business interfered with in the event of a national emergency (which is the less harrowing way of saying in the event of war). Business in pit props is still being conducted in the normal way, but if war were to come it is practically certain that the Government would assume control of the business and avoid the confusion that occurred when the Great War was in progress. Supplies would in that event be required from Canada and Newfoundland.

Many attempts have been made by Eastern Canadian interests to find a market in Scotland for pit props, but never successfully. The reason is that the prices obtainable, being governed by those quoted by shippers in countries surrounding the Baltic from which freight rates are comparatively small, have never been high enough to overcome the disadvantage of the freight on the long ocean voyage of 3,000 miles from the Dominion. These freight rates have always been high in relation to the value of the commodity. It should be said that quality is also an important determining factor.

REQUIREMENTS

The pit props used in Scotland are usually of spruce or fir. They must be guaranteed to be of winter felling, of good, sound, and merchantable quality, straight, free from large knots and rot, well barked, and sawn at right angles at both ends. The lengths mostly in demand are:—

5, 5½, and 6 ft. in 2 in.-5 in. top diameters
 7 ft. and 8 ft. in 2 in.-4 in. top diameters
 9 ft. and 10 ft. in 2½ in.-4½ in. top diameters

Scottish importers are accustomed to buying on a c.i.f. basis per Gothenburg Scale Standard, reputed to be 180 cubic feet. This standard is based upon the following scale:—

Lineal Feet		Lineal Feet	
2 inches diameter at top . . .	3,280	5½ inches diameter at top . . .	648
2½ inches diameter at top . . .	2,540	6 inches diameter at top . . .	540
3 inches diameter at top . . .	1,800	6½ inches diameter at top . . .	468
3½ inches diameter at top . . .	1,440	7 inches diameter at top . . .	396
4 inches diameter at top . . .	1,116	7½ inches diameter at top . . .	340
4½ inches diameter at top . . .	936	8 inches diameter at top . . .	288
5 inches diameter at top . . .	792		

To explain: in the case of pit props of a diameter of 3 inches at the top 1,800 lineal feet are required to make up one Gothenburg Scale Standard. This means that it would require 300 pit props each 6 feet long in this diameter to make a standard.

Three firms are known to this office to be actively interested in securing pit props from Canada. Two of these—one in Glasgow and the other in Leith—are experienced in the pit prop business; the third is a well-known firm of timber brokers not hitherto engaged in importing pit props but considering the possibility of obtaining supplies from Canada.

These firms seem unwilling to entertain offers f.o.b. Canadian ports. They want the exporters to arrange the ship chartering.

Pit props are customarily imported into Leith, Grangemouth, and Bo'ness. Cargoes of 1,000 to 1,100 standards can be dealt with at the first two ports, but at Bo'ness there is not sufficient depth of water for the larger steamers and cargoes of 750 to 800 standards are the maximum.

This office will be pleased to receive and follow up any offers from Canadian firms.

TRADE OF MALTA IN 1938

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(£1 sterling equals \$4.68; the figures within parentheses are for 1937)

Milan, August 13, 1939.—The total trade of Malta (excluding bullion and specie) was valued at £4,085,296 in 1938 as against £4,269,655 in 1937, a decrease of 4.31 per cent. Imports for consumption dropped to £3,866,182 from £4,019,089, or by 3.80 per cent; and exports, which are always limited to small quantities, declined to £219,114 from £250,566, a decrease of 12.55 per cent. The value of re-exports (excluding bullion and specie) was £468,273 (£449,331).

IMPORTS

The decrease of £152,907 in imports for consumption was in proportion to a decrease of £14,650 in the imports of food, drink, and tobacco. Imports of wheat, however, rose to 32,836 tons from 30,550 tons in 1937, while imports of flour rose even higher to 239,909 cwt. from 177,357 cwt. in 1937. Owing to lower world prices for wheat and flour, the value of wheat imports decreased in 1938 to £232,613 from £318,800 in 1937 and of flour imports to £123,681 from £123,926 in 1937.

Smaller imports were recorded in the case of store bullocks, beer, butter, salted fish, bananas, grain, pastes, malt, meats (tinned and potted), milk (condensed), milk powder, spirits, etc. On the other hand, imports of the following foodstuffs increased: fattened bullocks, sheep, butter substitutes, cheese, chocolate, fresh fish, apples, fruits (preserved), hops, jams, lard, lard substitutes, bacon, meat, milk (evaporated), rice, sauces, condiments, and tea.

Imports of raw materials and articles mainly unmanufactured were valued at £520,220 (£576,689). Coal imports decreased to 125,172 tons valued at £160,504 from 161,883 tons valued at £250,991 in 1937. Imports of petrol spirit were valued at £86,345 (practically all from Roumania) as against £143,376 in 1937.

Imports of manufactured goods showed another small increase from £1,371,735 to £1,404,732.

LEADING SOURCES OF SUPPLY

The ten leading sources of supply during 1938 were: United Kingdom, £1,081,259 (£1,031,212); Roumania, £275,666 (£290,797); Italy, £271,187 (£310,794); Germany, £203,969 (£192,424); Australia, £153,266 (£161,537); United States, £138,394 (£113,411); Netherlands, £131,251 (£145,180); Yugoslavia, £115,690 (£138,179); Belgium, £107,787 (£122,577); Japan, £104,041 (£98,385). Poland was eleventh and Canada fell to twelfth from seventh place in 1937. The change in Canada's position was due to greatly reduced shipments of flour and wheat. Japan was thirteenth in 1937, but rose last year to tenth place.

LEADING IMPORTS FROM PRINCIPAL COUNTRIES

The main imports from the principal sources of supply were as follows:—

United Kingdom.—Textiles, metals, automobiles, soap, coal, tobacco, sugar, and spirits.

Roumania.—Petroleum and petrol spirit, wheat, barley, and maize.

Italy.—Textiles, fruit, cheese, metals and manufactures thereof.

Germany.—Coal, metals and manufactures thereof, textiles, chemicals, glassware, games and toys.

Australia.—Flour, wheat, and meat.

United States.—Tobacco, lard, wheat, fruits, flour, metals and manufactures thereof, automobiles.

Netherlands.—Milk, butter, lard, cocoa, and chocolate.

Yugoslavia.—Bullocks, wood and timber, cement, maize.

Belgium.—Metals and manufactures thereof, glass and glassware, chocolate, textiles, and biscuits.

Japan.—Textiles, fish, boots and shoes, earthenware and chinaware.

TRADE WITH CANADA

As in 1937 Canada was in third place in 1938 among Empire countries supplying Malta, being exceeded in value of shipments by the United Kingdom and Australia. The values of the principal imports into Malta from Canada for the past three years were as follows:—

	1936	1937	1938
Total	£112,801	£145,234	£94,753
Cheese	2,550	4,676	5,413
Flour and semola	28,579	40,765	25,519
Motor vehicles	17,217	23,149	10,858
Wheat	53,410	67,719	42,956
Other goods	11,045	8,925	10,007

The Maltese official statistics thus show a reduction in 1938 in imports of flour, automobiles, and wheat, and an increase of cheese imports each year since 1935. Imports from Canada in 1938 fell in value by nearly 34·7 per cent. Wheat represented in value 45·3 per cent of the imports from Canada in 1938 and wheat flour 26·9 per cent.

WHEAT

During 1938 Malta bought 32,669 long tons of wheat valued at £232,613 as compared with 30,550 tons valued at £318,800 in 1937, an increase in volume of 6·9 per cent and a decrease in value of 27 per cent. There was a decline of about 31 per cent in the average unit price. Cheaper prices and a larger Danubian crop had an influence on the Maltese market distinctly detrimental to Canada.

As in 1937 Canada in 1938 followed Roumania and Australia as a source of supply. Next in order were Argentina, United States, and Russia. The individual totals were: Roumania, 11,620 tons valued at £63,274; Australia, 8,143 tons valued at £62,873; Canada, 5,075 tons valued at £42,936; Argentina, 2,340 tons valued at £22,487; United States, 2,215 tons valued at £17,925; Russia, £2,067 tons valued at £12,663. Yugoslavia, third in 1936, disappeared from the list of suppliers. Imports from Tunis were negligible, but these always increase when the North African French colonies have a good crop.

Canadian exporters should note that by an ordinance enacted by the Governor of Malta on January 27, 1939, amending the Import and Export Duties Ordinance, 1934, with respect to a number of articles, Empire wheat has had since March 31, 1939, a preferential rate of 9d. per 100 kilos as against 1s. 9d. for non-Empire wheat. The old rate was 3s. 9d. for both Empire and non-Empire wheat.

FLOUR AND SEMOLA

Imports of flour rose from 176,016 cwts. valued at £123,926 in 1937 to 237,403 cwts. valued at £123,681 in 1938. The average unit price, however, fell by 25·71 per cent. Australia as usual was the principal supplier of flour to Malta with 161,669 (86,019) cwts. valued at £75,434 (£55,021). This was more than 60 per cent of the business, nearly double in volume Australia's shipments in 1937 but at a distinctly lower price.

Canada, also as usual, was second with 42,038 (51,270) cwts. valued at £25,519 (£40,763). Unlike Australia's, Canadian shipments did not increase in volume and value; the average unit price remained higher than for supplies from other countries, except the United States. The United States was third with 18,303 (5,474) cwts. valued at £12,750 (£4,170); France fourth with 6,301 (14,043) cwts. valued at £3,305 (£9,100); the United Kingdom fifth in volume with 5,608 (6,847) cwts. valued at £4,755 (£6,445).

OTHER IMPORTS OF INTEREST TO CANADA

The following is a brief summary of the total imports into Malta of other commodities of interest to Canada, the figures for 1937 being within parentheses:—

Apples.—Total, £8,116: United States, £7,253; Italy, £388; Australia, £255; Netherlands, £147; United Kingdom, £32; Switzerland, £23; Canada, £16. Expansion should be possible in supplies from Canada.

Cheese.—Total, £55,268 (£49,454): Italy, £20,871 (£12,025); New Zealand, £7,996 (£7,620); Canada, £5,413 (£4,676); Albania, £3,866 (nil); Finland, £3,113 (£896); Yugoslavia, £2,924 (£17); Australia, £2,156 (£1,308); Denmark, £1,964 (£1,998); United Kingdom, £1,633 (£1,206); Cyprus, £1,501 (nil); Netherlands, £1,246 (£1,051).

Fish, Chilled.—Total, £12,198 (£10,753): United Kingdom, £11,287 (£10,227); Canada, £593 (£364).

Fish, Preserved Otherwise than by Salt.—Total, £16,122 (£15,551): Canada, £903 (£559).

Manufactured Grains.—Total, £2,905 (£2,826): Canada, £603 (£699).

Lard.—Total, £43,750 (£40,898): Canada, £407 (£1,288).

Lard Substitutes.—Total, £9,435 (£12,909): Canada, £256 (£317).

Bacon, Ham, and Sausages.—Total, £62,899 (£52,880): Canada, £11 (nil).

Tinned and Potted Meats.—Total, £12,205 (£15,127): Canada, £48 (£54).

Dried or Condensed Milk, Sugared.—Total, £4,098 (£1,034): Canada, £17 (£137).

Evaporated Milk.—Total, £13,548 (£9,635): Canada, £45 (nil).

Powdered Milk.—Total, £4,589 (£5,451): Canada, £992 (£288).

Sauces and Condiments.—Total, £6,442 (£7,012): Canada, £394 (£843).

Tomato Sauce.—Total, £6,188 (£6,375): Canada, £57 (£121).

Vegetables, Preserved.—Total, £7,727 (£6,839): Canada, £121 (£40).

Sausage Casings.—Total, £571 (£638): Canada, £132 (£252).

Beverages and Foods, N.O.P.—Total, £33,958 (£25,464): Canada, £609 (£136).

Wood and Timber.—Total, £55,931 (£70,802): Canada, £441 (nil).

Electrical Goods.—Total, £18,860 (£22,496): Canada, £255 (£233).

Automobiles.—Total number, 418 (515): Canada, 43 (85).

Automobile Chassis, without Bodies.—Total number, 42 (106): Canada, 18 (52).

Automobile Accessories and Parts.—Total, £18,190 (£16,745): Canada, £387 (£223).

Photographic Goods.—Total, £10,579 (£9,214): Canada, £991 (£573).

Apparel and Slips.—Total, £101,781 (£93,696): Canada, £507 (£48).

Hosiery.—Total, £42,212 (£33,870): Canada, £594 (£1,006).

EXPORTS

Total exports from Malta, including re-exports and bunkering, decreased slightly in value in 1938 to £690,191 from £699,897 in 1937. The United Kingdom, as in past years, was the leading purchaser of Maltese goods with £117,383 (£144,278); followed as usual by the Netherlands, £57,204 (£52,708), and by Turkey, £15,740 (£3,927), which has displaced Italy, £8,558 (£30,352).

Exports to other countries of the British Empire are increasing, amounting in 1938 to £11,571 as against £9,657 in 1937. The leading items of export were: potatoes, £116,860 (£116,610); onions, £25,402 (£11,861); hides and skins, £17,964 (£28,103); smoking requisites, £15,545 (£14,475); and buttons, £9,104 (£15,065).

TRADE OF JAMAICA IN 1938

F. W. FRASER, CANADIAN TRADE COMMISSIONER

IV. Exports

Kingston, July 22, 1939.—Exports of domestic produce from Jamaica in 1938 totalled £4,925,910 in f.o.b. value. Like that of imports, it was the third highest value yet reached, having been surpassed only in 1919 and 1920, when the respective totals were £5,536,828 and £7,022,195. The 1937 total was £4,816,872, the increase in 1938 being due to the better prices realized for bananas in the export markets.

As compared with 1937, there were decreases in the value of exports of cigars, coconuts, raw cocoa, coffee, ginger, grapefruit, logwood and its extract, essential oil, rum, sugar, and minor products. However, these decreases, total-
ing £233,687, were more than offset by an increase in the value of banana

exports (notwithstanding a smaller output) amounting to £260,073 and by increases in the value of exports of bitter and sweet oranges and unclassified parcels post, aggregating £82,652.

The distribution of Jamaica's domestic exports during the past three calendar years is shown below:—

Destination	1936	Per Cent*	1937	Per Cent*	1938	Per Cent*
United Kingdom	£2,000,077	54.3	£2,678,672	55.8	£2,913,853	59.4
Canada	1,093,408	29.7	1,188,105	24.8	1,309,213	26.7
Other British Empire countries	63,303	1.7	56,748	1.2	52,614	1.0
United States	264,919	7.2	231,164	4.8	180,327	3.7
Other foreign countries	261,859	7.1	647,603	13.4	452,487	9.2
Parcels post all countries†	14,042	.....	14,580	.....	17,416	.....
Total domestic	£3,697,608	100.0	£4,816,872	100.0	£4,925,910	100.0

* Exports by parcels post are not taken into account in computing percentages.

† Unclassified as to countries of destination.

The total value of the exports to Canada in 1938 was the highest yet reached and the percentage of the value of total exports the fifth highest. The highest percentage was 29.7 in 1936 when, however, the value was £1,093,408.

In 1938, as for several years previously, Canada was Jamaica's best customer for sugar, the second most valuable export commodity, and also for raw cocoa and coffee. Canada was the second largest purchaser of bananas, the most valuable item, and of coconuts, and took considerable quantities of ginger, oranges, pimento, rum, and some other commodities.

Of the "other foreign countries" to which Jamaican produce was shipped in 1938, the chief were Germany, Holland, and France, in that order. Bananas, essential oils, and rum in the case of Germany, bananas and pimento in that of Holland, and logwood and pimento in that of France, were the main items.

PRINCIPAL EXPORT PRODUCTS

The principal domestic exports from Jamaica are listed below in descending order of value, with particulars of the chief countries of destination:—

Bananas.—Total, 23,811,337 stems (£2,916,956): United Kingdom, 19,878,308 stems (£2,409,705); Canada, 2,316,056 stems (£320,855); Holland, 1,021,061 stems (£122,432); Germany, 595,912 stems (£63,964). The 1937 total was 26,955,489 stems (£2,656,883). An increase in the weight of fruit shipped in 1938 was the main reason for the much better prices obtained. Bananas accounted for 59.4 per cent of the total value of the domestic export trade in 1938. The shipping companies have lately made a further advance in the price paid to farmers. "Leaf spot" disease has for some time past been a serious menace to banana cultivation. To finance a plan of treatment and control the Government has lately raised a special loan of £200,000 and the trustees of the Colonial Development Fund have contributed £85,000.

Sugar, Unrefined.—Total, 105,034 long tons (£859,500): Canada, 91,467 tons (£750,282); United Kingdom, 13,528 tons (£108,814); small remainder to the Bahamas, Newfoundland, and Cayman Islands. The 1937 total was 95,776 tons (£864,579). Sugar represented 17.5 per cent of the total value of domestic exports in 1938. The industry is being considerably developed by a well-known English firm that has purchased large holdings in the colony. The manufacture of sugar and rum is state-controlled.

Rum.—Total, 899,821 gallons (£247,892): United Kingdom, 615,827 gallons (£126,482); Germany, 144,984 gallons (£41,328); United States, 44,777 gallons (£47,523); Bahamas, 39,500 gallons (£9,365); Canada, 31,834 gallons (£14,524). Shipments were also made to many other countries. Rum accounted for 5 per cent of the total value of the domestic exports in 1938. The combined percentage, therefore, in respect of bananas, sugar and its by-product was 81.9.

Pimento.—Total, 8,676,801 pounds (£207,070): Germany, 3,671,851 pounds (£89,840); France, 1,708,801 pounds (£39,165); United States, 869,504 pounds (£20,343); United Kingdom, 713,851 pounds (£16,517); Holland, 484,935 pounds (£11,976); Canada, 196,494 pounds (£4,675). There were also shipments to many other countries.

Coffee, Raw.—Total, 9,462,456 pounds (£132,907): Canada, 9,075,762 pounds (£123,213); United Kingdom, 279,492 pounds (£7,609).

Coconuts.—Total, 33,415,379 nuts (£84,155): United States, 18,601,095 nuts (£48,963); Canada, 11,529,650 nuts (£26,663); United Kingdom, 3,192,854 nuts (£8,291). A coconut marketing control scheme is under consideration. The local soap-making industry uses these nuts as raw material.

Oranges, Sweet.—Total, 244,456 boxes (£71,680): United Kingdom, 152,663 boxes (£45,636); New Zealand, 46,580 boxes (£12,556); Canada, 35,502 boxes (£10,301); Bermuda, 9,104 boxes (£3,013). The total was 215,450 boxes (£70,149) in 1937, when, as in several preceding years, Canada was the largest buyer. In 1938 low prices ruling for oranges in the Canadian market resulted in the bulk of shipments going to the United Kingdom and New Zealand.

Oranges, Bitter.—Total, 82,626 boxes (£25,272): United Kingdom, 79,946 boxes (£24,493); Canada, 2,670 boxes (£774); small remainder to United States. The total was 23,505 boxes (£6,876) in 1937, 89,246 boxes (£23,856) in 1936, and 448 boxes (£123) in 1935. Shortage of Spanish supplies is said to have been largely responsible for the development of this trade.

Ginger.—Total, 2,930,573 pounds (£50,939): United Kingdom, 1,574,972 pounds (£27,030); United States, 859,000 pounds (£14,338); Canada, 274,613 pounds (£5,154); Australia, 165,552 pounds (£3,413).

Logwood Extract.—Total, 15,690 cwt. of 112 pounds (£50,677): United Kingdom, 14,526 cwt. (£46,619); Belgium, 425 cwt. (£1,452); United States, 343 cwt. (£1,100).

Raw Cocoa.—Total, 5,282,484 pounds (£47,020): Canada, 4,858,549 pounds (£42,945); Belgium, 152,500 pounds (£1,512); Germany, 122,725 pounds (£1,140); United Kingdom, 98,750 pounds (£790).

Grapefruit.—Total, 13,823,610 in number (£38,441): United Kingdom, 12,262,520 (£34,460); Canada, 840,050 (£2,272); New Zealand, 530,250 (£1,065); Bermuda, 160,670 (£565).

Essential Oils.—These were of orange, lime, and pimento, chiefly of the first-named. Exports of all kinds totalled 8,606 gallons (£23,334), of which the United States, the United Kingdom, and Germany were the principal buyers. Shipments to Canada were 304 gallons (£665).

Cigars.—Total, 32,272 pounds (£17,028): Panama, 15,537 pounds (£5,149); United Kingdom, 5,597 pounds (£5,239); Bermuda, 3,805 pounds (£1,690); Trinidad, 1,619 pounds (£1,215); Costa Rica, 1,195 pounds (£563); Canada, 1,169 pounds (£1,006).

Logwood.—Total, 5,758 long tons (£14,239): France, 4,962 tons (£12,132); United States, 735 tons (£1,984); United Kingdom, 61 tons (£123).

The aggregate value of the fifteen items of export listed above was £4,787,110, or 97.2 per cent of Jamaica's total domestic export trade in 1938. The small residue comprised shipments of annatto, various kinds of fruits and vegetables, hides and skins, honey, woods, and other minor products.

EXPORTS TO CANADA BY PERCENTAGES

In 1938 Canada took the following percentages of Jamaica's chief exports, which are listed in order of value:—

	Computed as to Quantity	Computed as to Value		Computed as to Quantity	Computed as to Value
Bananas	9.7	11.0	Ginger	9.4	10.0
Raw sugar	87.1	87.3	Logwood extract. . .	....	....
Rum	3.5	6.0	Raw cocoa	92.0	90.0
Pimento	2.2	2.3	Grapefruit	6.1	6.0
Coffee	96.0	92.7	Essential oil	3.5	2.8
Coconuts	34.5	31.8	Cigars	4.0	6.0
Sweet oranges	14.3	14.3	Logwood . . . . .	....	....
Bitter oranges	3.1	3.0			

RE-EXPORTS

In 1938 the total value of re-exports from Jamaica, not being domestic produce, was £106,830, of which shipments to the United Kingdom were valued at £26,042; United States, £23,211; Canada, £19,417; Panama, £7,736; Cayman Islands, £6,131; Bahamas, £2,993; and the Dominican Republic, £2,909. Included in these re-exports were bullion, specie, and parcels post totalling £5,914 (United Kingdom, £3,218; United States, £1,976); but not so included, or included in the domestic exports, were ships' stores totalling £27,189, of which £6,920 repre-

sented domestic produce. The value of goods entered for transshipment totalled £371,942, being separately classified in the customs record. In 1937 re-exports totalled £177,409 in value; ships' stores, £38,605; and goods for transshipment, £324,450.

SHIPPING

In 1938 the total number of ships entered at Jamaican ports was 1,403 and their net tonnage was 4,279,017. The number cleared was 1,390 with 4,242,295 net tonnage. In 1937 the number entered was 1,510 of 4,641,300 net tonnage, and the number cleared 1,513 of 4,652,412 net tonnage. The latter figures are the highest yet recorded.

POINTS FOR EXPORTERS TO BELGIUM

YVES LAMONTAGNE, CANADIAN COMMERCIAL ATTACHÉ

I.

Brussels, August 12, 1939.—The area of Belgium is 11,775 square miles or just over half that of the province of Nova Scotia. Bordered on the west and southwest by France, on the east and south by Germany and the Grand Duchy of Luxemburg, and on the north and northeast by Holland, Belgium has a sea-coast of only 42 miles in length, which almost directly faces the mouth of the River Thames across the North Sea.

CLIMATE

The climate is temperate. The average monthly temperatures range from 34.5° F. in January to 64.7° F. in June. Rains are frequent. The country rises from the low, fertile plains of Flanders in the northwest to the hilly region of the Ardennes in the south, the highest point being 2,035 feet above sea-level.

POPULATION, CHIEF TOWNS, LANGUAGE

The population of Belgium is about 8,300,000 and is mainly urban. The five principal cities, with their populations, are as follows: Brussels, the capital (1,267,200); Antwerp, on the River Scheldt, the chief port (774,500); Liège, on the River Meuse, the principal metallurgical centre (562,650); Charleroi, with its glass works and other factories (438,500); and Ghent, with its cotton and linen mills (430,500). The next largest centres, all with over 200,000 people, are Louvain, Courtrai, Mons, Verviers, Malines, Alost, and Namur.

There are two races. The inhabitants in the northern and most westerly provinces are Flemish, speaking a language closely resembling Dutch. They are slightly more numerous than the Walloons, who live in the south and whose dialect is French. Flemish and French are spoken in the proportion of nine to eight people. Although both languages are taught in the schools, the majority of the Belgians are conversant with only one language. Both races are predominantly Roman Catholic. Foreigners number 350,000, mostly French, Dutch, Poles, and Italians; there are 14,500 Germans and 9,200 British.

OCCUPATIONS OF THE PEOPLE

The last economic census, taken in 1930, returned a gainfully employed population of 3,750,000. These were distributed as follows by main occupational groups: industry, 2,050,000 (55 per cent); agriculture, forestry, and fishing, 635,000 (17 per cent); commerce, 544,000 (14 per cent); domestic servants, etc., 184,000 (5 per cent); public employees, 170,000 (4.5 per cent); professional service, 140,000 (3.7 per cent). Agriculture and industry together occupy 72 per cent of the active population and industry alone over 50 per cent.

These statistics reveal the importance of industry in Belgium, human labour being in the last analysis the country's principal asset.

The number earning salaries and wages in the principal industries was as follows: coal-mining, 160,000; metal industries, 333,000; textiles, 270,000; clothing, 158,000; construction, 230,000; furniture and wood industries, 152,000; chemicals, 61,000; glass, 31,000; earthenware products, 36,000; quarrying, 43,000; leather, 63,000; foodstuffs industries, 114,000; transport, 256,000.

COMMUNICATIONS

Belgium's geographical situation has greatly contributed to its industrial and commercial prominence, the country being situated in a zone of economic activity which is unequalled.

In proportion to its area Belgium has a large mileage of railways. It also possesses a dense network of waterways and canals apart from the highways system. Rates of transport are low. The advantage of this closely knit network of communications is apparent, since the greatest length of Belgium from northwest to southeast is 175 miles and the greatest breadth from north to south only 108 miles. The average hauling distances by rail, water, or road are therefore relatively short, and the transit traffic exerts a downward influence on rates of transport.

The waterways system in particular is well adapted to the economic life of the country. There is ready communication with the navigable waterways of France, Holland, and the Rhine.

Antwerp, which is one of the chief ports of Europe, possesses the advantage of lying near a steamship route where a large volume of the world's sea-borne traffic is concentrated. Within an area of 200 miles radius is the greatest industrial area in the world, with a population of over 50,000,000 people. Ships visiting Antwerp to unload can readily obtain return cargoes, thus making for low ocean freight rates.

AGRICULTURE

Agriculture is of considerable importance in Belgium's economic life. The census of 1929 showed that 820,000 persons or about 10 per cent of the total population of Belgium, representing nearly one-quarter of the active population, were engaged in agricultural pursuits. Local agricultural production supplies from 75 to 80 per cent of domestic requirements in foodstuffs, and only 5 to 10 per cent of the production is exported.

The Government's policy aims at maintaining prices at levels sufficiently high to ensure profits for the farmers, and this is achieved mainly by the quantitative restriction of imports of agricultural products, which also prevents dumping from abroad. The requirements of the local industry as a consumer must also be considered. Dairy production and the cultivation of cereals in particular are being encouraged.

Yields are high for all crops generally because of the scientific use of fertilizers and the care given to cultivation. In 1938 the yield of winter wheat reached 2,800 pounds per acre as compared with 2,120 pounds in 1937. The raising of live stock requires the growing of fodder on a large scale, but local production is insufficient and imports of feedstuffs are considerable, particularly maize, oilcake, rye, and bran. The production of oats and rye normally almost meets requirements. The barley crop is small and is used mainly for feed; the quantity of barley imported for the brewery industry is about five times the local crop. Belgium produces only about 25 per cent of its total requirements in wheat, and normally only a little over 50 per cent of the local crop is used for flour making, the remainder being utilized as poultry feed.

About 9,000 tons of tobacco, mainly Scaferlati pipe, are grown annually, particularly along certain river banks. This meets one-third of local requirements in raw tobacco.

FOODSTUFFS INDUSTRIES

Belgium has given special attention to its live stock industry so as to meet the heavy requirements of its dense population in meats and dairy products. The Belgian Government is endeavouring to develop the dairy industry, and the country is expected to become self-sufficient shortly in milk and butter, the quality of which is being improved. Local production and imports of margarine are being regulated. Imports of cheese are heavy, and an effort is being made by the distribution of bounties to increase local production, which is very small. Impetus is being given to the production of condensed and powdered milk, for which the demand, chiefly for the manufacture of chocolate and biscuits, is increasing. Flour milling is an important industry. It produces mainly for the home market and is assisted by a prohibition on imports of wheat flour intended for the manufacture of bread.

Breweries are numerous and the consumption of beer is large. Malt is one of Belgium's principal exports in the foodstuffs group, and this industry mainly utilizes imported barley. The by-products of these industries are largely used as feedstuffs.

There are many sugar refineries and factories, and a large part of the production is exported. This industry utilizes locally grown sugar beets as well as imported raw sugar. The by-products, which include molasses and beet pulp, are utilized either as cattle feed or for the manufacture of alcohol.

The canning industry has expanded, particularly as regards vegetables, mostly peas. Imports of canned vegetables consist mainly of tomatoes and mushrooms. Both canned or preserved fish and canned fruits are exported, but imports are considerably larger than exports. Exports of canned or preserved meats exceed imports, but trade in this branch is relatively small.

The consumption of fresh fish in Belgium is relatively low, and has risen from 7.7 pounds in 1932 to 9.9 pounds in 1938. Imports of fresh and frozen fish, which are under quota, have decreased, while the Belgian catch has improved. Holland, Denmark, the United Kingdom, and Norway are the main sources of supply for fresh fish and shellfish. Imports of canned fish and shellfish total approximately \$2,250,000 in value, of which Japanese supplies constitute 38 per cent and Portuguese 35 per cent.

FORESTRY

Forests cover about 2,010 square miles, or 17.7 per cent of the total area of Belgium. There are 770 square miles of coniferous timber, 740 square miles of mixed stands, and 350 square miles of copse.

The value of imports of round timber in 1938 totalled \$4,900,000, about 60 per cent being coniferous. This does not include pulpwood valued at \$1,240,000. Imports of sawn lumber, 80 per cent coniferous, were valued at \$12,730,000, apart from railway sleepers valued at \$1,550,000. As regards imports of pulpwood and coniferous mining timber, Russia, Finland, and Latvia enjoy a virtual monopoly of the Belgian market, while the first two countries supply about 70 per cent of the sawn lumber imports.

MINING

Coal is Belgium's principal natural resource as regards mineral production. The output of coal in 1938 totalled 32,500 million tons. Apart from coal the mineral resources of Belgium are small. The iron and steel industries must import 99 per cent of the iron ore they require, mainly from the Grand Duchy of Luxemburg, France, and Norway. Although Belgium is one of the world's principal producers of zinc, copper, lead, and other non-ferrous metals, it must import almost all the ores necessary to produce these metals.

MANUFACTURES

Belgium ranks sixth among the manufacturing countries of the world and has achieved industrial prominence despite the fact that its natural resources are practically limited to coal. One of the main features of industry in Belgium is that many plants produce mainly for export, and Belgium may aptly be described as a huge factory working to supply the needs of foreign countries in semi-manufactured and fully-manufactured products.

The abundance of coal available locally has brought about the creation in Belgium of the so-called heavy industries, which consume coal in large quantities. This explains the development in this country of important metallurgical industries such as iron and steel, zinc, lead, and copper, as well as glass, pottery, and cement works.

In recent years Belgian manufacturers have endeavoured to secure a greater share of the local market, and certain industries have been assisted to this end by means of increased duties and by quotas and restrictions on imports.

IRON AND STEEL

The output of pig iron in Belgium during 1938 totalled 2,710,000 tons. The blast furnaces mostly produce pig iron for Thomas steel. Production of raw steel was 2,430,000 tons and finished steel 1,915,000 tons. Approximately three-quarters of this production is exported, mainly in semi-manufactured form such as structural steel, sheets, and wire. The steel industry of the Grand Duchy of Luxemburg, the output of which is about 60 per cent that of the Belgian output, adds to Belgium's exports of iron and steel products.

Belgium manufactures and exports the following on a large scale: bridges, locomotives and railway and tramway rolling stock, steam engines and boilers, pumps, weighing apparatus, nails, screws, bolts, hardware, cutlery, arms, agricultural implements, machinery for industrial plants, tools and machine tools, and bicycles. Belgium also manufactures stoves, steel furniture, and many other articles.

The production of finished products of iron and steel can, however, be further developed, as more industrial machinery is imported than is exported. As regards machine tools, exports and imports are about equal. Imports of scientific instruments and apparatus, and clockware, considerably exceed exports. Automobile production is fairly important, and American cars are assembled on a large scale in Antwerp.

OTHER METALS

Belgium is one of the chief world producers of zinc, copper, lead, and other non-ferrous metals and their products.

Zinc and lead ore are imported as ore and exported in the form of raw and semi-manufactured metal.

Copper is imported mainly in the form of raw metal, chiefly from the Belgian Congo, and exports consist of the raw metal and manufactures such as sheets, bars, wire, and builders' hardware. The production and export of electric insulated wires and cables is important.

Tin ore is imported principally from the Belgian Congo and is exported as raw metal, the trade in finished products being small. Practically no aluminium ore is imported. About 4,200 tons of raw aluminium were imported in 1938, mainly from France, Switzerland, and Norway, a large proportion of which was re-exported as raw metal or in sheets. There is only one nickel plant, and its production, chiefly sheets, is practically wholly exported; imports of nickel and products are much larger than exports. Silver and cadmium are produced in the zinc and lead works. Belgium production also includes radium, cobalt, antimony, and arsenic.

CHEMICALS

The by-products of the metallurgical plants and the distillation of coal have led to another important branch of production in Belgium—the chemical industry, and about 40 per cent of the output is exported.

Sulphuric acid is produced as a result of the treatment of iron and zinc ores, and this acid in turn is utilized in the manufacture of sodium sulphate, which is used in the glass industry. The production of copper sulphate, ammonia, potassium, and sodium salts is considerable, and these commodities are largely exported. Other exports include phosphate slag, cyanide, superphosphate of lime, zinc sulphate, bone glue, gelatine, inks, explosives, soap, and artificial silk. The coke plants which operate apart from the metallurgical branch produce small coke, gas, ammonium sulphate, benzol, and coal tar.

Production in certain branches is small, as for instance chemical dyes, and the output of sodium carbonate and fertilizers does not fill the entire requirements of the country.

TEXTILES

Although Belgium must import the great bulk of the raw materials for its textile industry, this branch constitutes the principal industry of the country from the point of view of the number of workers employed. The relative importance of the various branches of production is approximately as follows: cotton, 50 per cent; wool, 25 per cent; flax, 14 per cent; silk and rayon, 6 per cent; jute, 3 per cent; and hemp, 2 per cent, so that cotton, wool, and flax together represent about nine-tenths of the total output. About 40 per cent of the requirements of raw flax are obtained locally.

Production includes practically the whole range of textile products, from scoured wool, retted flax, yarns, and cordage to fabrics, lace, felt, carpets, linoleum, hosiery, corsets, and clothing.

Belgium was one of the pioneers of the manufacture of artificial silk and has recently developed the production of short artificial fibres for mixing with cotton and wool. The export of artificial silk yarns considerably exceeds imports. The natural silk industry is not large, and imports of pure natural and artificial silk fabrics and hosiery greatly exceed exports.

WOOD AND PAPER

Belgium depends mainly on imports of raw and sawn timber for its wood industries, among which furniture-making is the most important. Other wooden products include flooring, cooperage stock, brushes, shoe-last, shuttles, household wares, and wickerwork.

Paper has long been produced in Belgium, and this industry utilizes imported pulpwood and pulp, as well as rags. In 1938 the production of paper and cardboard amounted to 205,000 tons. Imports, which totalled 110,000 tons, represented 54 per cent of total local production, while exports amounted to 24,200 tons. Belgium thus filled 63 per cent of its home requirements. Imports of newsprint in 1938, which amounted to 38,000 tons, represented about 70 per cent of Belgian production of this commodity. Imports of pulpwood totalled 118,000 standards. Apart from newsprint and kraft, all kinds of paper are manufactured, from the finest grades to cardboard.

LEATHER

There are over 150 tanneries in Belgium and, while their main specialty is the preparation of small skins for shoe-making, they also produce many other

varieties of leather. The leather industries manufacture boots and shoes, gloves, hat-bands, hand-bags, valises, belting, and other products. Exports of tanned leather and leather goods considerably exceed imports.

RUBBER

By far the most important branch of production in the rubber industry is that of tires and tubes for automobiles and bicycles. In other branches production is fairly large and is increasing. There are about 74 plants, and between 6,500 and 7,000 workers are employed. This industry is well protected by import duties and quotas.

GLASS

The manufacture of glass is one of Belgium's main industries. About 90 per cent of the total production is exported and production includes the whole range of glass products.

OTHER INDUSTRIES

Among the other important industries of Belgium which give rise to exports are: electrical machinery and apparatus, accumulators and insulators; photographic paper, films and paper; matches; cement and lime; asbestos, tiles, and common pottery. Imported petroleum is refined and heavy oils are exported. Vegetable oils are produced and exported, but are mainly imported.

DISTRIBUTION OF TRADE*

Belgium is an importer of foodstuffs and raw materials and an exporter of semi- and fully-manufactured products. The value of Belgium's imports and exports, by main groups, for the calendar year 1938 was distributed as follows:—

	Imports	Exports	Excess of	
		Figures in	Imports	Exports
			\$1,000	
Live animals..	954	2,278	.....	1,324
Foodstuffs and beverages	157,438	38,314	119,124	.....
Raw materials and semi-manufactured goods	426,070	330,737	95,333	.....
Finished products	182,240	354,782	.....	172,542
Gold and silver bullion	15,950	7,806	8,144	.....
Total	782,652	733,917	48,735	.....

Belgium's foreign trade is mainly with the following countries, values being given in thousands of dollars:—

Imports.—France (112,366), Germany (87,822), United States (86,496), Netherlands (70,272), Belgian Congo (65,338), United Kingdom (61,627).

Exports.—France (113,569), United Kingdom (100,452), Netherlands (90,048), Germany (89,702), United States (48,736).

* Belgium and the Grand Duchy of Luxemburg have formed an Economic Union for customs purposes. The trade statistics for Belgium, therefore, apply to both Belgium and Luxemburg as a single unit. The Grand Duchy's share of the combined foreign trade of the two countries is from 4 to 5 per cent. The value of the total foreign trade of the Union in 1938 was \$1,516,570,000. Luxemburg's exports alone were worth about \$40,000,000, of which 30 per cent were destined to Belgium, mainly iron ore and iron and steel products. The annual output of iron and steel in the Grand Duchy is about two-thirds that of Belgium. Other industries include tanning, textiles, breweries and wineries.

The area of the Grand Duchy is 1,000 square miles and its population is 350,000, about one-tenth of which is engaged in industry. The languages are French and German. The capital is Luxemburg, a town of 60,000 inhabitants. The Luxemburg franc is equal to 1.25 Belgian francs.

The following table shows the distribution by main supplying countries of Belgium's imports during 1938 according to main categories:—

Imports into Belgium in 1938

	France	Germany	Holland	United States	United Kingdom
			Values in \$1,000		
Animals and products	18,680	475	10,510	810	13,085
Vegetable products	10,100	1,220	23,110	33,100	1,855
Minerals	21,800	28,340	17,460	16,510	20,910
Foodstuffs, beverages, tobacco	6,430	575	4,575	6,980	1,490
Chemicals and pharmaceuticals	11,320	7,865	1,830	2,000	1,425
Hides, leather and products	2,100	925	575	270	1,185
Textiles	10,950	2,645	1,290	240	5,050
Clothing and wearing apparel	710	2,000	100	375	645
Wood and products	3,930	575	925	2,645	170
Paper and products	4,510	3,490	1,695	850	975
Rubber manufactures	380	540	100	375	645
Metals and products	10,340	9,390	3,200	2,000	5,390
Machinery and apparatus	4,765	17,755	2,860	4,730	5,120
Vehicles other than railway	2,680	4,370	510	14,850	2,230
Miscellaneous	3,670	7,655	1,532	760	452
Total	112,365	87,820	70,272	86,495	61,627

TRADE WITH CANADA

In 1938 the value of Belgium's imports from Canada, for consumption or further manufacture, totalled \$10,551,000, including cost of transport and insurance. The distribution of these imports by main groups was as follows: cereals, mainly wheat, 72 per cent; minerals, mostly zinc ore, raw asbestos, and lead ore, 13·3 per cent; metals, raw, chiefly copper and zinc, 6 per cent; wood, paper and products, 3·9 per cent; all other products, 4·8 per cent. The last-mentioned category included the following commodities, in order of importance: rubber tires, cheese, canned salmon and lobster, frozen and salted fish, stockings of natural silk, dried beans, agricultural machinery, fresh apples, applecores and skins, raw hides, leather gloves, rubber boots and shoes, hops, electric meters, electric razors, horse hair, fishmeal, seeds, honey, calcined ochres, and miscellaneous rubber and other products.

The value of exports of Belgian goods to Canada in 1938 totalled \$6,270,000, this being the value at port of shipment in Belgium. The principal items were, in order of importance: diamonds, glass, rolled iron and steel, hatters' furs, chemicals and fertilizers, cotton fabrics, paper, horses, cordage, gloves, zinc sheets, sporting guns, films, jute rugs, wool waste, glue, gelatine, plants and flowers.

Apart from the special trade for 1938 referred to above, imports from Canada in transit totalled \$4,180,000 and exports to Canada in transit were valued at \$4,000,000.

CURRENCY

A Royal Decree dated March 30, 1935, fixed the gold content of the belga at 0·150632 gram. The belga is utilized only in international transactions, the unit used in Belgium itself being the franc, equal to one-fifth of the belga. The average value of the Belgian franc during 1938 was 3·385 cents.

Wages are lower than in certain other countries, such as Great Britain, and considerably below levels in Canada. The scale of wages runs from less than 14 cents an hour for common labour to about 28 cents for skilled trades.

WEIGHTS AND MEASURES

The metric system is used in Belgium, the principal standards being the metre, for length or width, equal to 39·371 inches (one yard equals 0·9144

metre); the kilogram, for weight, equal to 2.2046 pounds (one pound equals 0.4536 kilogram); the litre, for capacity, equal to 1.76 pint (one gallon equals 4.546 litres); and the cubic metre, equal to 1.308 cubic yard (one cubic foot equals 0.0283 cubic metre). The following multiples are also used: one quintal (100 kilograms), one hectolitre (100 litres), and one metric ton (1,000 kilograms).

BANKING FACILITIES

Canadian banks are in a position to provide useful services in the export field and are represented in Belgium by correspondent banks as follows:—

Bank of Montreal—Banque de Bruxelles, Brussels.
Royal Bank of Canada—Westminster Foreign Bank Ltd., Brussels.
Canadian Bank of Commerce—S.A. Banque d'Anvers, Antwerp.
Banque Canadienne Nationale—Banque de Bruxelles, Brussels.
Bank of Nova Scotia—Westminster Foreign Bank Ltd., Brussels.
Imperial Bank of Canada—Lloyds and National Provincial Foreign Bank, Brussels.
Bank of Toronto—Guarantee Trust Co. of New York, Brussels.
Dominion Bank—S.A. Banque d'Anvers, Antwerp.
Barclay's Bank, Canada—Banque de Commerce, Brussels.

Among other banking institutions in Belgium may be mentioned the Banque de la Société Générale de Belgique, Brussels (Belgian), and the National City Bank of New York, Brussels (American). The American Express Company, Thomas Cook & Sons, and the Canadian Pacific Railway have offices in Brussels and Antwerp.

STEAMSHIP SERVICES TO ANTWERP

Companies providing ocean services from Canadian ports to Antwerp include:—

Atlantic Sailings.—Canadian Pacific Steamships Ltd., and the County Line (Canada Steamship Lines), operating from Montreal during the open season of navigation and from Saint John, N.B., during the winter. The Fjell Line (agents, J. Brock Shipping Co., Montreal) and the Oranje Lines (agents, Shipping Ltd., Montreal), both providing services inland to Hamilton, Toronto, and Montreal. The Red Star Line and Furness Line call at Halifax, N.S.

Pacific Sailings.—Hamburg American Line (agents, Dingwall, Cotts & Co.); North German Lloyd (agents Dodwell & Co. Ltd.); Interocean Line (agents, Canada Shipping Co., Vancouver)—all from Vancouver.

The *Commercial Intelligence Journal*, issued weekly by the Department of Trade and Commerce, Ottawa, contains a list of scheduled sailings from Canadian ports, together with names of vessels and sailing dates.*

POSTAL SERVICES AND RATES TO BELGIUM

The rate of postage to Belgium from Canada is not the same as to other countries in Europe, and care should be given to this matter, as otherwise mail may not be sufficiently prepaid, and destinees are liable to a postal tax of double the amount of deficient postage.

Letter Post.—The prepaid rate on letters to Belgium from Canada is 5 cents for the first ounce and 3 cents for each additional ounce. The air mail rate is 10 cents per ounce. If transatlantic air conveyance also is desired, the rate is 30 cents for each half-ounce.

Printed Matter.—The prepaid rate for newspapers, periodicals, and printed matter is 1 cent per 2 ounces with a limit of weight of 4 pounds 6 ounces.

Books, calendars, and printed matter generally must bear in clear print the words "Printed in Canada," except in the case of shipments of under 1 pound gross weight or single copies.

* Publication of this list has been suspended until further notice.

Parcels Post.—There are two parcel-post (merchandise) rates to Belgium, one direct and the other via England, the latter rate being higher. For the direct service the rates are 20 cents for 1 pound, increased by 10 cents for each additional pound to \$1.20 for 10 pounds, \$1.50 for over 10 pounds to 15 pounds, and \$2 for over 15 pounds up to 20 pounds. Via England the rates are 54, 66, and 78 cents for 1, 2, and 3 pounds; \$1.08, \$1.20, \$1.32, and \$1.44 for 4, 5, 6, and 7 pounds; \$1.68, \$1.80, \$1.92 for 8, 9, and 10 pounds; \$2.50 for over 10 pounds up to 15 pounds, and \$3 for over 15 pounds up to 20 pounds. The size limit is 3½ feet in length, width, or depth. In no case must the length and girth exceed 6 feet.

The quickest service should be used. Particulars as to registration, date of shipment and rates may be obtained from the Canadian postal services. Exporters are advised to apply to the Director, Administrative Services, Post Office Department, Ottawa, to have their names placed on the mailing list to receive the weekly bulletin of sailings. If parcels are mailed too late to catch a sailing, they may be held over for as much as a month until the next steamer leaves, and it is highly desirable that such delays be avoided. Customs declarations should be clear and precise in respect to details concerning the goods enclosed and should be made out in English and French. The net weight of each article should be indicated, as well as gross weight and value.

Samples.—The prepaid rate on samples is 2 cents for the first 4 ounces and 1 cent for each additional ounce, the limit of weight being 1 pound. Goods mailed as samples should obviously be intended to serve the purpose of commercial samples only and must not have a saleable value, with the exception of saleable individual tins of canned fish or canned fruit. Whenever possible, samples should be sent packed in such a manner that they can be readily opened to permit of examination of the contents. The inscription "samples of no commercial value" on the outside wrapper or envelope is sufficient for goods which are definitely not saleable.

Parcels are delivered to consignees by the Belgian Railway authorities, and a small charge is made for this service. If instructions are received from importers that parcels are to be called for, they should be addressed "en gare," i.e. at the station.

SWITZERLAND'S TRADE WITH CANADA IN 1938

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

(For ton read metric ton, which equals 2,205 pounds; one franc equals approximately \$0.23 at present rate of exchange)

Rotterdam, August 15, 1939.—The total trade between Canada and Switzerland in 1938 remained at approximately the same level as during the preceding year. The chief feature of trade with the Dominion was increased imports of wheat, which were offset by declines in receipts of barley and metals.

CANADIAN TRADE TOTALS

According to the Dominion Bureau of Statistics, the total combined value of Canadian exports to Switzerland and imports therefrom amounted to \$4,224,000 in 1938 as compared with \$4,064,000 in 1937. There was therefore a rise of \$160,000 or approximately 4 per cent.

The Swiss official returns, on the other hand, while also revealing a small increase, evaluate total traffic between the two countries during the period under review at approximately \$8,924,000. This discrepancy is mostly due to the difference between the value of Canadian goods consigned to Switzerland and the value of those actually entering the country. The greater volume of Cana-

dian merchandise destined for consumption in Switzerland is cleared and credited in Dominion statistics to the maritime nations from which transshipment to final destination takes place. Wheat for Switzerland is the main commodity affected and is often entered as an export to Belgium, Holland, or the United Kingdom.

The value of Canadian exports in 1938 to the Confederation totalled \$736,000, an increase of \$118,000 or approximately 19 per cent over the 1937 figure of \$618,000. Swiss statistics, although only recording a small advance for imports of Dominion merchandise, record a much higher total worth, roughly \$5,534,000 for arrivals from Canada.

Imports of Swiss merchandise into the Dominion in 1938 were valued at \$3,488,000 as compared with \$3,446,000 in the preceding year. There was therefore an advance of approximately \$42,000 or $1\frac{1}{4}$ per cent. Trade was well maintained in the first six months of 1938 but fell off rather sharply during the last half of the year.

PRINCIPAL COMMODITIES IN CANADIAN-SWISS TRADE

The tables below show principal commodities recorded by the Dominion Bureau of Statistics as passing between the two countries in 1938, with comparative figures for 1937:—

Exports from Canada to Switzerland

	1938	1937
Total..	\$735,584	\$617,942
Copper in rods..	300,109	401,852
Wheat	89,619	.....
Pneumatic tire casings..	85,875	41,610
Pulpwood	74,573	17,644
Aluminium and products	20,796	27,648

Imports into Canada from Switzerland

	1938	1937
Total..	\$3,488,186	\$3,445,841
Clocks and watches	1,205,955	1,080,439
Aniline dyes	505,316	531,774
Electric apparatus	386,005	389,004
Cotton and products..	240,845	217,925
Mixed textiles	196,401	245,515
Engines and boilers..	166,769	61,889
Silk and products..	127,441	167,283
Artificial silk and products	74,839	65,907
Cheese..	73,014	72,924
Machinery..	66,711	93,138
Leather, manufactured..	44,475	40,317
Flax, hemp and jute	40,743	46,350

From the foregoing it will be noted that copper, wheat, rubber tires, and pulpwood are the principal Canadian exports to Switzerland. Clocks and watches, aniline dyes, electric apparatus, and textiles are the main imports from that country.

SWISS FIGURES ON CANADIAN TRADE

The figures used in the balance of this review have been taken from the official Swiss publications. According to these, total Canadian-Swiss trade was valued at 38,800,000 francs in 1938, a slight rise over the 1937 amount of 38,529,000 francs.

Imports from Canada during the period under review increased sharply in volume and slightly in value. The advance in quantity—117,213 metric tons in 1938 as compared with 83,043 last year—was due mostly to larger wheat shipments. The value of merchandise imported from the Dominion was 24,062,000 francs in comparison with 23,312,000 francs for the preceding year. There was thus an advance of 750,000 francs or of approximately 3·2 per cent.

On the other hand, the value of exports of Swiss goods to the Dominion declined by 479,000 francs or about 3·1 per cent. The 1938 shipments to Canada were valued at 14,738,000 francs as against 15,217,000 francs in 1937. However, considering the decline in the general import situation, this small decrease cannot be reviewed as unsatisfactory.

The table below indicates the variations in the trade between the two countries during the last seven years. As the goods shipped to Canada are mostly of fair worth but small in bulk, such as watch parts, weight figures for the exports are omitted:—

Switzerland's Trade with Canada, 1932-38

	Imports from Canada Metric Tons	Frcs. 1,000	Exports to Canada Frcs. 1,000	Total Trade Frcs. 1,000
1932..	331,436	47,731	10,809	58,540
1933..	258,533	35,430	9,484	44,914
1934..	93,426	15,447	7,219	22,666
1935..	66,037	12,850	7,769	20,619
1936..	161,552	26,682	8,378	35,060
1937..	83,043	23,312	15,217	38,529
1938..	117,213	24,062	14,738	38,800

Since total imports into the Confederation from all sources in 1938 were valued at 1,607,000,000 and total exports at 1,317,000,000 francs, Canada thus furnished 1·5 per cent of all imports and bought 1·12 per cent of Switzerland's exports. In 1937 the Dominion supplied 1·29 per cent of all imported merchandise and purchased 1·18 per cent of total Swiss exports.

BALANCE OF TRADE

In 1938 the visible balance of trade in favour of Canada was 9,324,000 francs, roughly \$2,145,000 at the prevailing rate of exchange. During the preceding year the trade balance was also in Canada's favour, although amounting to somewhat less at 8,095,000 francs or approximately \$1,862,000.

NATURE OF BI-LATERAL TRADE

Of imports of Canadian goods into Switzerland in 1938, foodstuffs—consisting mostly of wheat—accounted for 20,382,000 francs; raw materials, mainly metals, for 2,704,000 francs; and manufactured articles for 976,000 francs. The advance in wheat imports and the decline in Dominion metal shipments since last year are reflected in the comparative figures for 1937, which were as follows: foodstuffs, 18,357,000 francs; raw materials, 4,108,000 francs; and manufactured goods, 847,000 francs.

Exports of Swiss goods to Canada, on the contrary, consist principally of manufactured articles, most of which enter into consumption without further processing. Such articles were valued at 14,314,000 francs in 1938 (14,884,000 francs in 1937); foodstuffs, 411,000 francs (323,000 francs); and raw materials, 13,000 francs (10,000 francs).

IMPORTS FROM CANADA

CEREALS

Imports of wheat from Canada in 1938, which totalled 106,628 metric tons valued at 18,985,000 francs, accounted for 91 per cent by weight and 79 per cent by value of all arrivals from the Dominion. In 1937 a total of 68,422 tons of wheat at 16,348,000 francs were brought in from Canada, being 82 per cent by weight and 70 per cent by value of total imports.

The wheat-buying policy of Switzerland has been more influenced in the past few years by such factors as the conclusion of clearing agreements and the

liquidation of balances owing but only collectible in kind or barter than by the prices quoted by the competitive wheat-growing countries. Quotas for supplies are fixed arbitrarily, and the grain trade is not free to purchase where it pleases. Consequently Canada's share of the wheat bought by the Confederation has declined sharply, falling from an average of about 50 per cent by weight in the years before restrictions to a low of 12 per cent in 1935, up in 1936 to 34 per cent, declining to 16 per cent in 1937, and advancing again to 23 per cent during 1938.

Canada was nevertheless the principal supplier of wheat to Switzerland in 1938, followed by Russia, 83,839 tons; United States, 82,051 tons; Argentina, 55,726 tons; Hungary, 51,287 tons; and Roumania, 40,654 tons.

Rye imports from Canada increased to 2,946 tons as compared with 340 tons in 1937. The United States, with 10,831 tons valued at 1,734,000 francs, is the main supplier of this cereal.

Oat arrivals, largely for army requirements, also advanced, amounting to 2,712 tons in 1938 in comparison with 1,554 tons purchased from Canada in the preceding year. Argentina is by far the principal supplier with 160,600 tons in the year under review.

Imports of barley, of which large amounts had been credited to Canada in 1937, fell off to 1,875 tons in 1938. In the 1937 figures of 7,928 tons there was likely, however, some inclusion of the United States barley despatched via Montreal. Russia (57,559 tons), Poland (30,042 tons), and Argentina (18,700 tons) are the main suppliers of barley to Switzerland.

The appended table shows the Dominion's trade with Switzerland in cereals during the past three years:—

Imports of Cereals from Canada into Switzerland

	1936		1937		1938	
	Metric Tons	Frcs. 1,000	Metric Tons	Frcs. 1,000	Metric Tons	Frcs. 1,000
Wheat	155,470	23,516	68,422	16,348	106,628	18,985
Rye	50	6	340	63	2,946	433
Oats	2,481	311	1,554	321	2,712	450
Barley .. .. .	....	....	7,928	1,372	1,875	315
Other cereals .. .	....	....	40	8	30	5
Total cereals ..	158,001	23,833	78,284	18,112	114,191	20,188

IMPORTS OF COMMODITIES OTHER THAN CEREALS

As may be inferred from the remarks under cereals, all other commodities imported from Canada made up but 9 per cent of the weight and 21 per cent of the value of total imports into Switzerland from the Dominion during the past year. A sharp falling-off in shipments of copper wire, zinc, animal hair, aluminium, aluminium alloys, asbestos, and ferro-alloys contributed mainly to the reduction of arrivals of these other commodities to the total of 3,874,000 francs in 1938 as compared with 5,200,000 francs in 1937. There were sizeable gains in shipments of rubber tires and tubing, copper in bars and blocks, nickel, cutlery, lead, wood-pulp, and upper leathers, but these were not sufficient to compensate for the losses mentioned above.

In value copper and copper wire together account for more than 50 per cent of these other commodities. Rubber tires and tubing, mostly automobile tires, are in third place. Raw hides and skins are fourth, followed by cutlery, no special details of which are available, nickel and aluminium. These are the only imports the value of which exceeds 100,000 francs (\$23,000).

Animal hair (chiefly horse hair), canned lobster, wood-pulp of the bleached chemical variety, lead, tanned hides and skins, lumber (both rough and sawn), casings and bladders, and upper leather follow in descending order of importance. These commodities complete the list of Canadian merchandise the value

of which is placed at over 43,500 francs (\$10,000) on importation into Switzerland.

The table below records all imports from Canada in 1938 and 1937 of products other than cereals valued at over 1,000 francs (\$230 at current rate). The last two columns show the individual gain or loss in 1938 arrivals as against those in the preceding year:—

Canadian Imports into Switzerland of All Products other than Cereals

Commodity	1938	1937	Increase	Decrease
	Figures in Thousands of Francs.			
Total	3,874	5,200	....	1,326
Copper wire.. . . .	1,313	1,996	....	683
Copper in bars, blocks, slabs.. . .	755	628	127	....
Rubber tires and tubing.. . . .	285	88	197	....
Hides and skins, raw.. . . .	171	244	....	73
Cutlery	120	33	87	....
Nickel	117	....	117	....
Aluminium.. . . .	114	325	....	211
Animal hair.. . . .	96	353	....	257
Canned lobster.. . . .	81	69	12	....
Wood-pulp, chemical and bleached..	72	23	49	....
Lead.. . . .	66	....	66	....
Hides and skins, tanned.. . . .	58	29	29	....
Lumber	53	88	....	35
Bladders and casings.. . . .	46	97	....	51
Upper leather, other than boxcalf..	44	....	44	....
Chemicals for pharmaceutical uses	42	5	37	....
Spirits (whisky).. . . .	35	33	2	....
Automobiles.. . . .	32	....	32	....
Fish, fresh or frozen (salmon).. . .	34	53	....	19
Upper leather (boxcalf).. . . .	29	....	29	....
Tools n.o.p.. . . .	26	2	24	....
Sensitized paper	25	18	7	....
Metal, wood and stonework ma-				
chinery.. . . .	24	....	24	....
Wallboard	18	11	7	....
Refrigerating apparatus (electric)..	15	....	15	....
Grass and clover seed	14	50	....	36
Fish canned, except lobster but in-				
cluding canned salmon	13	41	....	28
Toys and sports goods	13	8	5	....
Iron and steel articles	13	17	....	4
Condensed soups	11	2	9	....
Refrigerators (ice chests).. . . .	10	....	10	....
Rubber goods n.o.p.. . . .	9	2	7	....
Tomato conserves.. . . .	8	9	....	1
Canned goods n.o.p.. . . .	8	6	2	....
Asbestos.. . . .	8	114	....	106
Copperware.. . . .	8	10	....	2
Aluminium alloys.. . . .	8	148	....	140
Zinc.. . . .	8	387	....	379
Agricultural and garden tools . . .	6	15	....	9
Machines, incl. washing machines . .	5	2	3	....
Rubber footwear.. . . .	4	12	....	8
Vegetable alkaloids	4	15	....	11
Precision instruments.. . . .	3	12	....	9
Silk fabrics.. . . .	3	....	3	....
Tobacco strips and offal.. . . .	3	....	3	....
Ochres etc..	3	4	....	1
Calculating machines.. . . .	2	....	2	....
Watch movements.. . . .	2	....	2	....
Porcelain insulators.. . . .	2	2	....	....
Canned shrimps	2	....	2	....
Wallpaper.. . . .	1	....	1	....
Leather goods	1	....	1	....
Cotton and linen dry goods for				
women and girls	1	....	1	....
Furnace slags.. . . .	1	....	1	....
Glassware	1	....	1	....
Wrist watches of gold	1	....	1	....
Wrist watches of base metals	1	....	1	....
Zinc white	1	....	1	....
Mastics.. . . .	1	2	....	1
Canned vegetables n.o.p.. . . .	1	3	....	2
Ferro-chromium, ferrosilicon. . . .	....	84	....	84
Gold articles . . . . .	....	26	....	26

Commodity	1938 Figures in	1937 Thousands of	Increase Francs.	Decrease
Wood-pulp, chemical, unbleached	18	....	18
Apples, fresh	11	....	11
Serums and vaccines..	11	....	11
Metals n.o.p.	10	....	10
Silk stockings..	9	....	9
Dried fruits (apples)	9	....	9
Animal greases	7	....	7
Clays and earths	6	....	6
Frozen meat..	5	....	5
Rubber belting..	5	....	5
Raw materials for pharmaceutical uses..	3	....	3
Candies and sweets	2	....	2
Mineral waters..	1	....	1

Trade prospects for 1939 are fair. Imports of cereals, raw materials, and metals will likely show some increase. On the other hand, due to the quota system of imports, which covers the greater proportion of manufactured goods which Canada might otherwise send to Switzerland, it is probable that arrivals of these will tend to decline.

EXPORTS TO CANADA

As already stated, the value of Swiss exports to Canada in 1938 decreased by approximately 3 per cent to a total of 14,736,000 francs as compared with 15,217,000 francs in 1937.

Clocks, watches and parts are together, as usual, the leading group, accounting for 5,487,000 francs or about 37 per cent of the total. This is an increase of 531,000 francs over the 1937 value of 4,956,000 francs, due mostly to added shipments of wrist watches and watch movements. Chemicals and pharmaceuticals are the second group in order of importance, exports being valued at 2,687,000 francs, of which aniline dyes at 2,174,000 francs was the main item. The machinery and apparatus group is in third place, shipments being valued at 2,367,000 francs. Of this, electric dynamos and transformers accounted for 1,046,000 francs and motors of miscellaneous types for 747,000 francs.

Textiles, including piece and finished goods, were despatched to the value of 2,050,000 francs. Chief items in this division were: cotton fabrics, 227,000 francs; curtains, 113,000 francs; fancy articles and dresses of cotton, 514,000 francs; and silk fabrics and ribbons of pure, artificial, and mixed silk content.

Materials for hatters follow with a value of 618,000 francs. This is made up of 569,000 francs for tresses of straw and 49,000 francs for untrimmed hats.

Swiss cheese valued at 352,000 francs, aluminium articles and alloys at 287,000 francs, current rectifiers at 266,000 francs, leather footwear at 194,000 francs, chocolate at 40,000 francs, woodwork at 40,000 francs, and books and prints to the value of 29,000 francs complete the list of main export commodities sent to Canada. The sum of the values of the goods mentioned above is 14,437,000 francs or almost 98 per cent of all Swiss shipments to Canada during the past year.

The table below lists, in the order adopted in the official statistics, all commodities with an individual value exceeding 5,000 francs (\$1,150) exported by Switzerland to the Dominion in 1938:—

Exports of Swiss Goods to Canada in 1938

Commodity	1,000 Fres.	Commodity	1,000 Fres.
Chocolate..	39.5	Prints ..	24.5
Cheese..	351.5	Cotton fabrics..	226.6
Condensed soups ..	5.0	Curtains..	112.9
Canned goods n.o.p..	6.0	Handkerchiefs, collars, etc..	39.8
Hides and skins, raw..	10.1	Embroideries, cotton..	52.6
Leather goods ..	11.7	Embroideries on tulle..	28.6
Leather footwear..	194.4	Fancy articles and dresses..	513.8
Woodwork ..	40.0	Embroideries, linen ..	85.3

Exports of Swiss Goods to Canada in 1938—Concluded

Commodity	1,000 Frcs.	Commodity	1,000 Frcs.
Floss silk, raw	79.0	Metal, wood and stoneworking machines	59.4
Artificial silk	36.9	Machines for the food industries	60.7
Silk bolting gauze	12.7	Machines n.o.p.	58.6
Fabrics of pure and floss silk	62.8	Electrical apparatus for vehicles	22.0
Fabrics of pure and floss silk mixed with other textiles	148.3	Finished parts of clocks and alarm clocks	18.5
Fabrics of artificial silk only	75.8	Clocks	12.7
Fabrics of artificial silk mixed with other materials	53.6	Watch parts, unfinished	5.7
Printed fabrics of artificial silk only	54.9	Watch movements	4,037.7
Printed fabrics of artificial silk mixed with other materials	13.3	Watch cases	14.2
Ribbons of pure or floss silk	7.4	Watch parts, finished but not assembled	271.9
Ribbons of pure or floss silk mixed with other materials	23.1	Watch moulds	33.0
Ribbons of artificial silk only	135.4	Pocket watches	136.5
Ribbons of artificial silk mixed with other materials	15.3	Chronographs (pocket)	15.2
Embroideries of silk	25.8	Wrist watches	906.8
Woollen scarves	6.8	Watches, miscellaneous	22.8
Tresses of straw	568.8	Precision instruments	7.2
Rubber products n.o.p.	11.8	Gas meters and similar apparatus	11.6
Cotton shirts	16.4	Typewriters	50.9
Lingerie, linen, cotton, etc.	63.2	Adding machines	72.8
Other cotton articles	8.7	Electric meters	27.7
Silk lingerie	8.6	Mounted insulators	6.1
Articles of wood	64.9	Electric batteries	8.0
Ladies' outer clothing of cotton	18.1	Gramophones, movie machines	31.5
Cotton and linen goods n.o.p.	17.6	Current rectifiers	286.0
Hats, untrimmed	49.3	Music boxes	14.2
Precious stones	19.4	Vegetable alkaloids	31.3
Watch tools	22.2	Chemicals for pharmaceutical uses	119.4
Ironware	16.9	Pharmaceutical products, miscellaneous	158.7
Cast iron articles	5.8	Perfumes and cosmetics	83.3
Aluminium alloys	267.8	Sodium salts	13.0
Articles of aluminium	16.7	Coal tar products	10.0
Steam boilers	89.5	Raw materials for dye manufacturing	56.5
Knitting machines	21.8	Benzol, chloride and naphtha	6.4
Bookprinting presses	6.4	Starch paste	29.0
Electric dynamos and transformers	1,046.0	Aniline and other dyes	2,173.9
Grinding engines	13.4	Greases and lubricants	13.3
Steam engines	11.9	Turkis red oil	14.8
Motors, gas, gasoline	747.0	Washing powders	26.7
		Haberdashery n.o.p.	41.8

CROP REPORTS FOR NORWAY, SWEDEN, DENMARK, AND FINLAND

T. J. MONTY, ACTING CANADIAN TRADE COMMISSIONER

Norway

Oslo, August 19, 1939.—According to the official report of the Director of Agriculture on crop conditions at the end of July, unusually heavy rainfall caused floods in the eastern and southern districts of the country, resulting in a fair amount of damage to the crops. The first half of the month was cold and growth was retarded.

The hay harvest varies considerably in the different parts of the country. In the north it is a good deal below average, owing to damage to the fields in the spring by ice; in the south and east the rain has delayed harvesting and the quality of the hay has been lowered considerably by the continuous rainfall. Only about 70 per cent of an average crop may be expected in these districts. In the northwest, however, the hay harvest has been good both qualitatively and quantitatively.

Grain seems to be in good condition, but will be later than usual in ripening owing to the unfavourable weather conditions. However, given good weather, which may be expected now, the grain harvest will be quite good. At present the prospects for the various grain crops in percentages of an average year are as follows: spring wheat, 100; autumn wheat, 96; spring and autumn rye, 95; barley, 97; oats, 101; and mixed grains, 99. The potato crops seem to be about average in most districts, but there is a great danger of dry-rot unless weather conditions improve. The other root crops are somewhat uneven, due to the ravages made by the flea-beetle in the spring, which entailed a certain amount of resowing.

Seed crops are variable. Clover has made good progress recently, but pollination has been uncertain. Timothy seed appears to be better. Pasture fields and mountain grazing grounds are in good condition. Fruit crops appear to be promising, especially the apple crop, which varies from 100 to 135 per cent of an average year in all districts except the north, where the crop is somewhat under average. From several districts, however, considerable damage by scab is reported. Vegetable crops are likely to be above average in the western districts, but under average in all other parts of the country.

Sweden

The most recent crop report issued by the Swedish Central Bureau of Statistics describes crop conditions as on July 15. The abundant rainfall which followed the long drought in the spring has vastly improved conditions for autumn-sown wheat and rye, and grain crops on the whole are now expected to reach the average. Spring-sown grain suffered badly from the drought, but the rain which came about midsummer repaired a great deal of this damage also. Potato crops are promising in nearly all districts. Sugar beets are uneven and have suffered heavily from the flea-beetle. Fodder roots have also been greatly damaged by this insect. In some districts where resowing has taken place the prospects are somewhat better. The scarcity of rain has been almost disastrous for the hay harvest, and poor results are reported from all districts, both from cultivated and natural fields. The rain which eventually fell was of little use to the hay, and harvesting was completed under most unfavourable conditions. The aftergrowth, however, has been good because of the recent rainfall, but the grazing districts are not in a very good condition.

Denmark

The report issued by the Danish Department of Statistics on August 5 describing crop conditions at the end of July states that these have been improved by the heat and rain during the latter half of the month. Grain crops, however, both in Jutland and the islands, will be under average. The provisional estimates of crop yields, in percentages of an average year, are as follows in Jutland: wheat, 88; rye, 89; barley, 79; oats, 84; mixed grains, 83. For the islands the corresponding figures are: wheat, 95; rye, 94; barley, 91; oats, 95; mixed grains, 94.

Weather conditions have been favourable to potatoes and other root crops, and these are described as being about average or a little higher. According to later reports, however, the potato crops will be excellent and very large.

The hay harvest was completed under very unfavourable conditions, and the crop is considerably under average both in Jutland and the islands. The condition of the pasture fields is satisfactory on the whole, although not up to the standard of last year, being calculated at 94 per cent of an average year for Jutland and 84 per cent for the islands. Seed cultivation appears to be below the average.

Finland

The drought which set in at the end of April continued until the beginning of July. As the temperature was relatively high at the same time vegetation suffered. During the second week in July refreshing, in some places even plentiful, rains fell, slightly improving the crop prospects as compared with June. On the other hand, the rain was prejudicial to haymaking and somewhat lowered the quality of the hay. For autumn sowings the prospects improved considerably. Autumn wheat is expected to yield an average crop, while rye will hardly reach the average. Spring wheat, barley, and oats have also improved and promise a crop of medium quantity, although smaller than last year.

BUSINESS CONDITIONS IN BRITISH MALAYA, JANUARY TO JUNE

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(All values in Straits currency; S\$1 equals 55 cents Canadian)

Singapore, August 10, 1939.—The economic organization of British Malaya is a sensitive network with all activity directly responsive to the international position of her two primary products, tin and rubber. Apprehension over the political situation in Europe and the Far East have created a general lack of confidence, in consequence of which demand for rubber and tin has not responded freely to the release of supplies under regulative schemes. However, at the end of the half-year conditions of supply for these products were such as likely to create early and continued improvement in the tin and rubber industries. Meanwhile the commercial tone of the country can be described as one of hopeful anticipation.

Continued spending on capital improvements has created trade values that have concealed the basic lack of retail buying power. A temporary fillip to retail sales was given by government pronouncements in favour of the creation of reserve supplies of food in the hands of each householder equivalent to one month's normal requirements. Response by the better-class buyer resulted in a brisk demand for canned goods and provisions which released cash to the retail merchants. This buying did not create any increase in forward stock commitments, and the only result was to transfer the burden of carrying charges from the wholesaler and retailer to the consumers whose expenditures for current requirements were thereby curtailed.

Governmental policy, aimed at creating a visible food surplus for the poorer classes, has resulted in an embargo on the export of padi (native rice) from the Federated and Unfederated Malay States. In these states remission of land taxes is being currently allowed on new areas brought under cultivation in ground nuts, cassava, sweet potatoes, maize, bananas, and vegetables of all sorts, with the object of bonusing efforts towards self-sufficiency.

Further legislation approved throughout Malaya provides comprehensive powers for official "food controllers" under whose direction all rights of import, export, sale, or barter can be nationalized on notification.

TRADE

Quota restrictions on rubber and tin exports have curtailed total trade values. Total trade for the first five months of 1939 was valued at \$507,800,000 (Can.\$297,300,000), or an increase of 1 per cent over the total for the same period of last year. As there was a depreciation of the Straits dollar paralleling that of the pound sterling, total trade in terms of par exchange was less by about 3 per cent. Even in terms of present Straits dollar values the total is still

13 per cent below that for the same period of 1937. Imports amounting in value to \$242,300,000 were little changed from the similar period of last year, while exports increased in value by 7 per cent to \$265,500,000. Total trade during May was the highest of any month since March, 1938. Imports from Canada during the period were valued at \$2,685,583 and Malayan shipments to Canada at \$8,975,381.

CREDIT SITUATION

Reduced employment, curtailed buying power, reduced spending (on other than construction work), still frozen stocks of Japanese goods, continuing patriotic subscriptions to "China Relief" funds, and limited or non-existent returns from capital invested in estates and mines, have all combined to make the position of the wholesaler and retailer precarious. Collections are slow, outstanding accounts are heavy, and credit lines by merchant importers are being curtailed. In many instances cash on delivery is required from clients of long standing. Failures among retailers have been above normal and the general opinion is that further and more serious insolvencies can be expected.

Once again it is emphasized that Canadian shippers to this market should obtain credit information before initiating business and keep reports up to date in connection with existing Chinese clients. The Trade Commissioner's office at Singapore is able to assist and will be glad to investigate and report on credit standings.

GOVERNMENT FINANCE

The financial strength of the governments of British Malaya has again been demonstrated by further "defence contributions" to the British Government. During the half-year new grants included the following, which were met from surpluses: the Straits Settlements, \$8,500,000; Federated Malay States, \$4,000,000. The Unfederated Malay States likewise made these contributions: Kalantan, \$100,000; Brunei (with a population of 30,000), \$100,000; Trengganu, \$50,000; Perlis, \$25,000.

The All-Malayan Currency Commission, created during the half-year to manage the currency of the country, provides for distribution of the profits on the note issue privilege throughout the underwriting states. Profits from the previous Straits Settlements Currency Commission in the sum of \$33,500,000 have been returned to the Straits Settlements.

NOTES ON EXPORT COMMODITIES

RUBBER

The rubber industry has operated under drastically curtailed quotas. Permissible exports during the first quarter were limited to 45 per cent on an assessed normal production of 79,000 tons. The permissible export was raised to 50 per cent for the second quarter of the year, with third quarter quota already announced at 55 per cent.

Production and export of rubber, including latex, decreased in quantity but increased in value during the first five months of the year, being 215,547 tons valued at \$131,417,608 as against 238,191 tons valued at \$115,199,101 in the same period of 1938. With improved demand from both America and Europe, world consumption is exceeding production by possibly 25,000 tons per annum, and the statistical position is becoming progressively more favourable. A shortage of rubber has been increasing noticeably in the Singapore market since the first of the year, visible stocks on June 1 amounting to 22,642 tons as compared with 34,136 tons on January 1 and 68,499 tons when the International Rubber Restriction Committee commenced operations on July 1, 1934.

To the other favourable features has been added the prospective sale of 80,000 tons of rubber under the barter agreement between the United Kingdom

and the United States, signed on June 23. Although details are not as yet available, a special quota will necessarily be established for such purpose and may be announced when the quota for the fourth quarter is released.

TIN

The London market price of £230 per ton, reached on June 23, is considered as a favourable omen for the future of tin, since at this price the International Tin Committee have commenced to liquidate buffer pool stocks. It has been considered for some time past that the future of the tin industry was more uncertain than that of rubber, but at the close of the half-year there was measurable improvement of the position.

The May price of \$114.71 per picul (133½ pounds) compares very favourably with the average price of \$81.68 per picul prevailing during 1938. It is above the average for any year since 1934, with the exception of 1937. Exports for the first five months amounted to 25,704 tons valued at \$47,664,102 as against 31,146 tons valued at \$46,775,240 for the same period of last year.

Unfavourable features in the industry are the drastic quota restrictions imposed by the International Tin Committee in achieving an international price of £230. During the first quarter Malaya's quota was 35 per cent (plus 10 per cent for the buffer pool from which no immediate monetary return is in sight). The second quarter quota was raised to 40 per cent, and the third quarter quota has already been announced at 45 per cent. Although still acute, the problem of unemployment in the industry has improved.

With liquidation of the buffer pool under way, with the International Tin Committee acquiring funds (from buffer pool sales) which can be used in support of international prices, with such prices currently satisfactory, and with export quota being increased, the future is viewed with more optimism than for some time past.

PINEAPPLE

The Central Board of Pineapple Packers, Malaya, created by unanimous action by the Chinese packing interests and vested with monopoly power through government sanction, after nine months of operation, has worked satisfactorily in the interests of the industry. Production is limited and pro-rated to factories, and fixed minimum prices are guaranteed to the pineapple grower, packer, and exporter. Against an "all-in" cost of \$3.35 per standard case and a selling price of \$2.40 in September, 1938, the board successively advanced prices to \$3 per case on October 7 last, to \$3.10 on February 5, and to \$3.25 on May 12.

Exports during the first five months of 1938 amounted to 1,239,744 cases valued at \$4,195,872 as against 1,075,610 cases valued at \$3,326,697 in the same period of 1938.

TEA

Although still a net importer of tea, Malaya has been extending her production rapidly, acreages having doubled in each of the last three years. With effect from June 1, 1939, Malaya has again joined with Netherlands India, Ceylon, and India as a subscriber to the International Tea Convention, and has undertaken that her total production will not exceed 7,000,000 pounds per annum before expiry of the present agreement on March 31, 1943.

OTHER COMMODITIES

Palm oil and coconut oil sales have been at substantially increased export prices with export quantities higher. Sago flour and flake have commanded a slightly better price, but these improvements have been in part offset by lower prices for arecanuts, gum dammar, coffee, and gambier. The weighted index for all the domestic exports stood at 75.6 on May 30, or an advance of 9 per cent over the 1938 average index.

LABOUR CONDITIONS

The continuing restrictions in the tin and rubber industries are reflected in the large volume of unemployment and by a general reduction of some 25 per cent in the wages of those in employment. Estate wages are at the lowest level in three years, male and female workers being paid 45 and 32 cents per day respectively. Including employees whose indentures had expired, and unemployed being repatriated or leaving at their own expense, there was a net surplus of labour emigrants numbering 4,901 in the first five months of 1939 as against a net immigrant increase of some 12,750 in the corresponding period of last year.

In Singapore and South Johore there has been general dissatisfaction in the building trades, where conditions are brisk. A general strike, which threatened for several months, reached a head on June 22 when work was stopped on many buildings. The number of labourers immediately concerned was 6,000, but the strike threatened to spread to all kindred lines, including quarry work, trucking, brick-laying, fitting, sanitary, and electrical work. The arbitration award recommending a general advance in wages of about 5 per cent was provisionally accepted. The new daily wages for labourers are: skilled workers, \$1.30; unskilled labourers, male, \$0.88; female, \$0.65.

Government recognition of the labour union principle is indicated by the announcement of uniform legislation throughout the several portions of Malaya aimed at placing the employee on an equal basis with the employer in negotiations. Non-employee leadership for union workers is accepted, while other provisions include establishment of arbitration boards, machinery for the settlement of differences, and creation of industrial courts with compulsory powers.

CONSTRUCTION

Boom conditions continue in the building trades throughout Malaya, although the major activity is in the Straits Settlements of Singapore and Penang, and in the State of Johore. Additional work for military, naval, and air force establishments, including military barracks, quarters and officers' homes, is under way. New power supplies, rice storehouses, and mills are under construction. Activity in Johore includes schools, district hospitals, a general civil hospital, and a new military hospital. In Singapore new works include roads, sewerage and drainage extensions, waterfront reclamation, electric developments, extended water supply, and a new comprehensive Improvement Trust policy for slum clearance and clerical housing. The Singapore Harbour Board is spending a further \$10,000,000 replacing an older section of their dock facilities.

Private capital is increasingly interested in real estate investments and developments under way include the opening of new residential sections, extension of Chinese shopping districts, and the building of apartment blocks. There is no present indication of any ending to such private enterprise as it is considered that Singapore is seriously under-housed and that such property developments are long overdue.

COMMUNICATIONS

Further improvements in the internal and external communications of Malaya have been and are being made. The domestic air service has been duplicated with all principal cities served twice daily. Additions to the Federated Malay States Railway rolling stock include eighteen new engines with a further thirteen to arrive shortly. The air conditioning of first-class carriages is being rushed. Extended services and special rate concessions are increasing railway patronage. The Singapore Harbour Board has adjusted rates as from June 1, with reductions for handling vessels and cargo, as much as 18 per cent in some instances. The overcrowding of the Singapore Traction Company services is being relieved by the commissioning of twenty-four new 32-passenger buses.

Radio broadcasting will be placed on a much improved basis in the near future, according to announcement by the British Malaya Broadcasting Corporation. Licence fees of \$12 per annum, the service of only one broadcasting station, and the necessity of dividing time between European and Chinese programs have hindered the growth of subscribers' support. Less than 6,000 licences are recorded in British Malaya. The present forecast of the early reduction in licence fees to \$5 per annum and of the duplicating of broadcasting facilities with the purpose of giving 15 hours per day in both English and vernacular languages will result, it is anticipated, in a much improved demand for radio equipment.

The Straits Pacific Shipping Conference have introduced contract shipping into the trans-Pacific route. With effect from August 1, tariff rates apply only to contract shippers with all other cargo subject to penalty surcharge of U.S.\$2 per ton.

BRITISH NORTH BORNEO IN 1938

C. H. KHOO, OFFICE OF THE TRADE COMMISSIONER

(All values in Straits currency; S\$1 equals 55 cents Canadian at current exchange)

Singapore, August 4, 1939.—The prosperity which prevailed in British North Borneo during the previous two years was not manifest in 1938, due to the low price of rubber and copra throughout the year. The severity of the rubber restriction caused considerable dissatisfaction among the native and Chinese small-holders. There was little unemployment, however, despite unsettled trade conditions.

Revenue for the year, excluding the profits of the State Bank, amounted to \$3,249,435, representing an excess of \$1,388,062 over expenditures, which totalled \$1,861,373. Smaller collections of land and customs revenues and of timber royalty were recorded. Capital receipts and expenditures are not included in the foregoing figures. During the year net capital expenditure amounted to \$226,244, more than half of which was spent on government buildings, roads, and bridges.

Notes in circulation were valued at \$1,824,586 at the beginning of the year and \$1,646,330 at the close.

FOREIGN TRADE

Total foreign trade, excluding movement of treasure, amounted in value to \$16,120,738. Compared with the 1937 value of \$21,594,796, this represents a drop of \$5,474,058, or nearly 25 per cent. There was a favourable trade balance of \$3,409,472, imports being valued at \$6,355,633 and exports at \$9,765,105. Figures for 1937 were: favourable trade balance, \$7,938,275; imports, \$6,828,261; exports, \$14,766,536.

The values of the five leading import commodities, with 1937 figures within parentheses, were: rice, \$1,145,285 (\$1,026,638); provisions, \$701,738 (\$724,265); textiles and apparel, \$667,831 (\$771,814); tobacco, cigars, and cigarettes, etc., (\$455,003 (\$462,172); ironware and metalware, \$430,349 (\$400,172).

Owing to the uncertain political outlook and the need of a reserve stock of rice in the state to meet any possible requirements, imports of this item rose by 14 per cent over 1937. An increase of 12 per cent was also shown in imports of milk and infant foods. The unofficial, but nevertheless stringently enforced, boycott of Japanese goods by the Chinese reduced imports of textiles and apparel somewhat.

The territory is not of direct importance to Canadian exporters as most of its requirements are drawn from stocks held in Singapore and Hongkong.

Estate rubber, valued at \$4,737,701 (\$8,786,771), was the largest export item. It was followed by timber, \$2,177,178 (\$2,842,189); dried and salt fish, \$507,787 (\$438,817); tobacco, \$459,196 (\$253,849); copra, \$406,834 (\$763,217); cutch, \$271,374 (\$319,475).

Borneo's rubber exports were mainly to Singapore for remilling, some direct shipments being also made to the United Kingdom, Europe, and Japan. Hongkong, which was at one time the chief market, has ousted Japan as Borneo's best customer for timber. The greater part of the copra exported went to Singapore, while Hongkong took most of the fish exports. The Japanese-controlled Borneo Fishing Company, with headquarters on Si-Amil Island, extended its operations to Banggi Island, and during the year found larger markets in Japan, Europe, Canada, and the United States for its products of dried and canned tuna fish.

TRADE OF THE BELGIAN CONGO IN 1938

MAURICE BÉLANGER, ASSISTANT COMMERCIAL ATTACHÉ

(One Belgian franc equals \$0.039; one metric ton equals 2,204 pounds; one kilogram equals 2.2 pounds)

Brussels, July 28, 1939.—The Belgian Congo has experienced a remarkable trade recovery in the past four or five years. This is especially true of exports, which have more than regained the ground lost during the major depression of the first years of the present decade and stood in 1937, both as regards volume and value, at a higher level than has ever been recorded. Total imports have also improved considerably, but the upturn did not occur until 1935, and the progression has been somewhat slower. Both in volume and value yearly imports are still far below the figures for 1929. It seems very doubtful, in fact, whether the high levels reached between 1927 and 1930 will again be reached for some years to come. They were brought about by boom conditions created by the necessity of improving the agricultural and industrial equipment of the colony and by the building of railroads and other public works. This improvement in equipment was extensive, so that production facilities are still sufficient, and it will no doubt be some time before the need is felt for any considerable increase in this equipment or replacements.

There was a decline in trade in 1938, which, as compared with the previous year, affected exports to a much greater extent than imports. The following table shows the general trend of trade in the past few years:—

Year	Exports		Imports	
	M. Tons	1,000 Francs	M. Tons	1,000 Francs
1928	257,633	1,227,867	736,053	1,624,498
1929	300,333	1,444,266	814,553	1,943,192
1930	340,316	1,511,490	712,286	1,581,315
1931	273,372	1,104,045	356,639	961,891
1932	206,239	667,922	182,878	464,631
1933	269,063	658,348	133,380	389,358
1934	336,086	843,315	163,576	377,606
1935	398,983	1,202,943	177,546	524,592
1936	427,270	1,489,581	212,325	724,792
1937	595,391	2,486,995	398,937	1,258,975
1938	544,961	1,897,154	332,329	1,126,536

EXPORTS FROM THE CONGO

Exports from the Belgian Congo are mostly made up of raw materials and semi-manufactured products, this classification (with gold and silver bullion included) accounting for over 90 per cent of the total value of exports in 1938. Food products accounted for almost 8 per cent, and manufactured goods for less than 1 per cent. The leading export items in 1938 were: ores, minerals, and metals, including copper (\$17 millions), gold (\$14 millions), tin ore (\$3.6 millions), tin ingots (\$1.4 million), lead ore (\$210,000), and manganese, cobalt, silver, platinum, radium, zinc in smaller quantities. Other important items were: palm oil (\$4 millions), palm kernels (\$3 millions), cotton (\$7.3 millions), diamonds, including bort (\$5 millions), timber and lumber (\$210,000), copal (\$1,000,000), raw rubber (\$280,000), peanuts (\$260,000), jute (\$160,000).

DISTRIBUTION OF EXPORT TRADE

Of the Congo's total exports in 1938, 83·63 per cent in value and 73·79 per cent in weight went to Belgium. The other leading importing countries, in order of importance, were Germany, Italy, United States, South Africa, and Holland. This is according to official export statistics, which only take into account the first country of destination, from where, in many cases, Congo goods are shipped to various parts of the world. These statistics are unreliable in the case of countries like South Africa, Holland, and particularly Belgium, where goods from the Congo are concentrated for later shipment to other markets.

IMPORT TRADE OF THE CONGO

In 1938 manufactured products accounted for almost 90 per cent of the Congo's total imports, the remaining 10 per cent being about equally divided between foodstuffs and raw or semi-manufactured goods. The proportion of manufactured goods has been increasing steadily in the past few years. In 1934 they accounted for only 70 per cent of total imports, and this percentage was increased to 74 in 1935 and 78 in 1936. The trend is the opposite for foodstuffs, which accounted for 16·3 per cent of total imports in 1935, 13 per cent in 1936, and only 5 per cent in 1938.

DISTRIBUTION OF IMPORT TRADE

Belgium is by far the most important source of imports into the Belgian Congo, the percentage in 1938 being 48·3 of total imports. The chief supplying countries are listed below in order of importance:—

Imports into the Belgian Congo by Countries

	M. Tons	Francs
Belgium	136,960	493,751,737
Japan	6,339	119,680,514
United States	9,894	77,670,958
United Kingdom	3,473	64,249,178
Germany	8,514	48,856,817
Dutch Antilles	24,111	24,015,796
France	1,947	23,163,475
Rhodesia	67,021	21,041,985
Netherlands	1,235	19,422,929
Union of South Africa	7,358	18,527,182
Angola	11,189	16,858,429
Uganda	5,800	14,979,562
Tanganyika	3,057	13,770,178
British Indies	3,503	10,038,238

Here again, and to a much greater extent than in the case of exports, statistics are far from reliable, imports from countries like Belgium and Great Britain comprising goods of many different origins. This is specially true in the case of Belgium, due to reduced ocean freight rates which often make it cheaper to ship via Antwerp than direct from the country of origin. For that reason, also, imports from Canada are considerably higher than statistics indicate, and Belgian official figures cannot be taken even as an approximate indication of Canada's share in the import trade of the Congo.

The share of Belgium is therefore not as large as statistics indicate, nor is the spread between Belgium and Japan, which has been in second place since 1936, as great as would appear from the above figures. Increasing competition from Japanese goods is a source of worry to Belgian interests. This situation, however, is not an easy one to correct because of the policy of free trade in the Congo to which Belgium is committed.

LEADING IMPORT ITEMS

The leading items imported in 1938 are given below under six main headings, the approximate value of total imports, in Canadian currency, being shown within parentheses after each item:—

Food Products.—Dried, salted, or smoked fish (\$600,000); salt in bags or in bulk (\$250,000); canned meat (\$230,000); wine (\$200,000); beer (\$240,000); alcoholic beverages (\$185,000); butter (\$230,000); wheat flour (\$190,000); milk, fresh, powdered, or condensed (\$160,000); canned fish (\$145,000); cheese (\$80,000); canned vegetables (\$70,000); canned fruit and jam (\$75,000); fresh fruit (\$75,000); prepared cocoa and chocolate (\$70,000); edible oils (\$72,000); dried vegetables (\$42,000); lard (\$35,000); alimentary pastes (\$48,000); potatoes (\$40,000); refined sugar (\$30,000); fresh or preserved shellfish (\$12,000); dried fruit (\$12,000).

Raw or Semi-manufactured Products.—Coal and coke (\$800,000); gasoline (\$600,000); gas-oil (\$130,000); other petroleum products (\$480,000); cement (\$150,000); sulphur (\$35,000); timber and lumber (\$45,000).

Textile Goods and Clothing.—Cotton piece-goods, printed (\$1,780,000), dyed (\$1,000,000), unbleached (\$300,000), bleached (\$210,000); blankets (\$400,000); knit goods (\$260,000); lingerie, containing silk (\$120,000), not containing silk (\$420,000); hats and caps (\$150,000); men's clothing (\$265,000); cotton thread (\$75,000); sacks and bags (\$550,000); silk or rayon piece-goods (\$200,000); woollen piece-goods (\$50,000); rubber boots and shoes, including canvas shoes with rubber soles (\$170,000).

Machines and Tools.—Locomotives, tenders and parts thereof (\$490,000); machinery for power transmission and power line equipment (\$490,000); electrical apparatus and machinery (\$440,000); agricultural machinery (\$125,000); other machinery and parts (\$3,000,000); sewing machines (\$105,000); locomobiles and spare parts (\$134,000); machine tools (\$270,000); shovels (\$110,000); hoes and picks (\$30,000); axes (\$30,000); other tools (\$300,000).

Vehicles and Parts thereof.—Railway cars and parts thereof (\$580,000); automobiles and trucks and spare parts thereof (\$1,750,000); bicycles and spare parts (\$300,000); motor cycles and parts thereof (\$50,000); rubber tires (\$320,000).

Other Manufactures.—Ships and boats (\$900,000); airplanes and parts (\$180,000); fire-arms and parts (\$340,000); galvanized sheet iron (\$410,000); sheet steel (\$210,000); iron and steel tubes (\$260,000); steel cables (\$100,000); steel bars (\$140,000); steel drums (\$480,000); steel rails (\$200,000); nails, screws, and rivets (\$100,000); furniture of iron or steel (\$120,000); enamelled kitchenware (\$410,000); other kitchenware (\$220,000); furniture of wood (\$45,000); paints, dyes, and varnishes (\$170,000); ammunition (\$105,000); gunpowder and explosives (\$130,000); matches (\$40,000); pharmaceutical goods (\$750,000); other chemical products (\$325,000); perfumery and soap (\$190,000); cigars and cigarettes (\$700,000); scientific instruments (\$90,000); musical instruments (\$70,000); paper and cardboard and manufactures of paper and cardboard (\$200,000).

IMPORTS FROM CANADA

There are no accurate statistics published showing the share of Canada in the import trade of the Belgian Congo. This is due chiefly to the fact that Canadian goods are seldom shipped direct to Congo ports. Canadian export statistics are more reliable in this respect than local statistics of imports into the Congo, but in many cases goods shipped from Canada to Belgium or Great Britain and credited to these countries in the statistics eventually find their way to the Congo. For that reason Canadian exports to the Belgian Congo must be placed at a higher figure than statistics indicate. Canadian trade figures show exports to the Congo for the past five years as follows: 1934, \$47,071; 1935, \$36,222; 1936, \$76,404; 1937, \$115,662; 1938, \$106,473.

The most important item imported from Canada is wheat flour. Other goods imported regularly are canned fish, canned lobster, fresh apples, canned fruit, automobile parts, automobile tires, silk hosiery, and paper. The following goods have also been imported from time to time but in very small quantities: canned meat, canned milk, agricultural machinery, butter, refined petroleum, soap, cosmetics, cotton thread and cotton piece-goods, lingerie other than silk, manufactures of paper, glassware, steel furniture, steel nuts and bolts.

TARIFF CHANGES AND TRADE REGULATIONS

Ireland

TARIFF AMENDMENTS

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that orders have been issued by the Executive Council of Ireland providing for the following changes in duty:—

	Former Rates		New Rates		Effective Date
	Preferential	Full	Canada and United Kingdom	Other Countries	
Paper unprinted (excluding newsprint, wall, transparent, greaseproof, writing, wrapping, imitation parchment, photographic) weighing more than 12 lbs. but not exceeding 130 lbs. per ream of 480 sheets double crown measuring 30 by 20 inches ad val.	50%	50%	28½%	45%	July 19
plus ad val.	5%	5%	5%	5%	
Manuscript books ruled and unruled (excluding books for music) ad val.	50%	50%	50%	75%	July 19
Paper bags exceeding 8 ozs. in weight, imported empty ad val.	50%	50%	33½%	50%	July 26
Wallpaper and wallpaper border ad val.	50%	75%	10%	20%	Aug. 23
or if higher per lineal yard plus ad val.	1d. 5%	1½d. 5%	1d. 5%	1½d. 5%	

A licensing provision, subject to the terms of the United Kingdom-Eire Trade Agreement, whereby these duties may be reduced, is attached to the orders creating the duties.

IMPORT QUOTAS ON LEATHER AND RUBBER FOOTWEAR AND INNER TUBES

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that by order of the Executive Council of Ireland new quotas have been established for the period October 1, 1939, to March 31, 1940, as follows: on leather boots and shoes, 300,000 articles, the same as for the preceding six months; on certain rubber boots and shoes, 80,000 articles as against 100,000 articles for the preceding six months; on inner tubes for motor tires, 2,000 articles; on inner tubes for bicycles, 8,000 articles; on certain pneumatic tires for motor cars, 2,000 articles; on certain pneumatic tires for bicycles, 15,500 articles. The new quotas for tires and tubes are the same as those fixed for the preceding six months. For the period September 1, 1939, to February 29, 1940, the quota on spark plugs and component parts is fixed at 4,000 articles, the same as for the previous six months.

Australia

TARIFF AMENDMENTS

The Canadian Trade Commissioner in Sydney cabled on September 9 that a new customs tariff schedule became effective that day. Only a few items of importance to Canada were affected.

New items (Nos. 122D1 and 122D2) were created for "cotton cord and tire fabrics," which were made dutiable at 5 per cent ad valorem under the British preferential tariff and 25 per cent ad valorem under both intermediate and general tariffs, the intermediate being applicable to Canada under these new items. (Formerly "cotton cord fabric used in the manufacture of motor tires," as described in a customs ruling, unbleached, not printed, dyed or coloured (Item 105A1a), was dutiable under the British preferential tariff at a halfpenny per square yard or 5 per cent ad valorem, whichever rate returned the lower duty. Under the intermediate tariff the rate was 1¼d. per square yard, and under the

general tariff 2½d. per square yard. The British preferential rate was applicable to Canada. The intermediate rate applied to a number of countries, including Belgium, China, France, Germany, Italy, Japan, Netherlands, Sweden, and Switzerland. The general tariff applied to the United States.)

A number of articles described in customs by-laws as admissible, formerly, under tariff items 103B, 228A1, 229H3, and 404A, free of duty under all tariffs, were placed under Item 434 at 5 per cent ad valorem under British preferential tariff (applicable to Canada) and 20 per cent ad valorem under general tariff. Goods described in these by-laws are for specified manufacturing purposes and include vegetable waxes, cloth oil for textiles, olive oil, gas carbon black, celluloid in roll or sheet for photographic films, dry colour for rust-proof paint, fibre-board for suitcases and like articles, movements for wristlet watches having Australian cases, paper for patterns, pulpboard for paper matches, muriate and perchlorate of potash for explosives, wooden slats for pencils, oak for wine casks, and some other articles.

Rates of duty on all spirits were increased approximately 1s. per gallon, and on petrol and oils 1d. per gallon.

Excise duties on spirits and on petroleum and its products were increased.

The sales tax was increased from 5 per cent to 6 per cent. This tax is leviable on imports (with some articles exempted) and is calculated on the dutiable value of the goods plus the duty, the sum of these two being increased by 20 per cent thereof.

Full particulars of the above tariff amendments will be forwarded by mail.

Notification has also been received that, effective September 15, 1939, rates of duty on goods admissible under Item No. 351B1 of the Australian customs tariff, "brake and transmission linings," will be: British preferential tariff, free; special rate to Canada, 25 per cent ad valorem; intermediate tariff (not at present operative), 35 per cent ad valorem; general tariff, 42½ per cent ad valorem. The former rates were: British preferential tariff, free; general tariff, 35 per cent. No rate has been fixed under the intermediate tariff. Canadian goods were formerly admissible under the British preferential tariff, and the introduction of the rate of 25 per cent ad valorem on Canadian brake and transmission linings as from September 15, 1939, is taken under Article IX of the Canada-Australia Trade Agreement.

Jamaica

IMPORT RESTRICTIONS ON CORN MEAL

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, writes that a proclamation by the Governor of that colony made on August 18, 1939, prohibited the importation of corn meal from all countries. The Jamaica Government intends, however, to permit the importation of this foodstuff under licence by persons or firms who were importing during the year 1938, the quantities allowed to each to be determined by quota. The reason for this action is that the Jamaica Government have recently decided to put up a factory for the manufacture of corn meal from locally grown maize, the object being to supply local requirements entirely from this source.

Netherlands

EMERGENCY LEGISLATION AFFECTING EXPORTS AND IMPORTS

Mr. J. A. Langley, Canadian Commercial Attaché in Rotterdam, writes that the Netherlands Government has passed a series of emergency laws. Certain export prohibitions which had been adopted on September 21, 1938, but kept in force only thirteen days, are revived by decrees of August 23 and 28, 1939, with additions to the list of goods affected. The list of prohibited exports, as extended, includes arms and ammunition, explosives, aeroplanes and parts, air raid precaution equipment, searchlights, optical goods, tools and implements

for metal-working, roller and ball bearings, barbed wire, various ores and metals, cement, gypsum, lime, wood of all kinds, wood-pulp, matches, gasoline, various oils, soaps, dyes, fertilizers, coal tar pitch, bones, slaughter-house products, yeast, tanning materials, several chemicals, a wide range of textile products, yarns, rope, wool, hides, leather and manufactures thereof including boots and shoes, rubber manufactures including tires and tubes.

It is specified that in special cases exemptions may be granted. Applications in this regard are to be made to the Crisis Export Bureau, The Hague.

Hay, straw, tea, coffee, rennet, casein, cocoa beans and kernels, and honey and other products of apiculture have been designated "crisis" products, under the terms of the Agricultural Crisis Act of 1933, which enables the Government to assume control over import, export, manufacture and transport of articles so designated.

By decrees of August 28, effective next day, it has been ordered that, in addition to commodities already subject to monopoly legislation when imported into the Netherlands, many other articles (including practically all animal and vegetable foodstuffs and feeding stuffs) may be imported or exported only via official channels, to which the importers and exporters must make application. These regulations apply to live horses, cattle, sheep, and hogs.

Apart from the foregoing measures, other rules governing internal trade and distribution of various commodities have been laid down.

Belgium

LICENCE FEES ON WHEAT AND WHEAT PRODUCTS SUSPENDED

Mr. Y. Lamontagne, Commercial Attaché at Brussels, cables that, effective September 10, 1939, Belgian licence fees on wheat and wheat products are suspended owing to the rise in world prices. Exports of the same products from Belgium are prohibited. The licence fee on imports of wheat was increased to 27 francs per metric quintal (25 cents per bushel) on August 1, 1939 (see *Commercial Intelligence Journal* No. 1853: August 5, 1939, page 297) and increases in the fees on other wheat products were also made (see *Commercial Intelligence Journal* No. 1856: August 26, 1939, page 431).

Norway

TARIFF INCREASES

Mr. T. J. Monty, Acting Trade Commissioner at Oslo, Norway, writes that a Norwegian decree, effective July 1, increased duties on salted mutton from 0.15 to 0.30 krone per kilog. (1.6 to 3.2 cents per pound); silk stockings containing 80 per cent silk or more, from 10 to 14 krone per kilog. (\$1.07 to \$1.50 per pound); silk stockings containing less than 80 per cent silk, from 7 to 8.40 krone per kilog. (75 cents to 90 cents per pound); leather clothing from 1.87½ to 3 krone per kilog. (20 cents to 32 cents per pound). A decree of August 16 raises the duty on skates from 0.35 to 0.60 krone per kilog. (3.7 cents to 6.4 cents per pound). Surtaxes totalling 80 per cent of the duty are added to all Norwegian tariff rates.

Japan

IMPORTERS' DIFFICULTIES WHEN STRAW PACKING USED

A firm of customs brokers in Yokohama have notified the Canadian Legation in Tokyo that, as no straw packing of any description is allowed to enter Japan, in order to prevent delay and expense in making customs entries exporters of goods to Japan should not use straw packing and should also make a statement on relative invoices of goods that no straw packing has been used. If no such statement is made, the customs are at liberty to have goods unpacked to ascertain this fact. Straw envelopes for bottles are prohibited under this regulation, and should straw envelopes be found they are to be destroyed and replaced locally.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 11, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, September 11, 1939, and for the week ending Tuesday, September 5, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 5	Nominal Quotations in Montreal Week ending Sept. 11	Official Bank Rate
Belgium	Belga	.1001	\$.1871	\$.1875	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2105	.2110	3½
Finland	Markka	.0252	.....	.0210	4
France	Franc	.0392	.0255	.0249	2
Great Britain	Pound	4.8666	4.4525	4.4325	4
Greece	Drachma	.0130	.0087	.0084	6
Holland	Guilder	.4020	.5812	.5813	2
Hungary	Pengo	.1749	.....	.....	—
Italy	Lira	.0526	.0570	.0568	4½
Yugoslavia	Dinar	.0176	.....	.....	—
Norway	Krone	.2680	.2485	.2479	3½
Poland	Zloty	.1122	.....	.....	—
Portugal	Escudo	.0442	.0408	.0402	4-4½
Roumania	Leu	.0060	.....	.....	—
Spain	Peseta	.1930	.1205	.1205	4
Sweden	Krona	.2680	.2601	.2602	2½
Switzerland	Franc	.1930	.2455	.2471	1½
United States	Dollar	1.0000	1.0950	1.0950	1
Mexico	Peso	.4985	.....	.2063	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0255	.0249	—
Jamaica	Pound	4.8666	4.4635	4.4425	—
Martinique	Franc	.0392	.0255	.0249	—
Other British West Indies	Dollar	1.0138	.9276	.9236	—
Argentina	Peso	.4245	.....	.2601	3½
		Unofficial	.2519	.....	—
Brazil	Milreis (Paper)	.1196	.....	.0664	—
		Unofficial	.....	.0550	—
British Guiana	Dollar	1.0138	.9276	.9236	—
Chile	Peso	.1217	.0567	.0567	3-4½
		Unofficial	.0438	.0440	—
Colombia	Peso	.9733	.6240	.6239	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.5870	.5840	—
		Unofficial	.3785	.4227	—
South Africa	Pound	4.8666	4.4414	4.4225	3½
Egypt	Pound (100 Piastres)	4.9431	4.5650	4.5450	—
China (Shanghai)	Dollar	.....	.0748	.0710	—
Hongkong	Dollar	.....	.2758	.2756	—
India	Rupee	.3650	.3312	.3315	3
Japan	Yen	.4985	.2590	.2585	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4084	.4062	—
Straits Settlements	Dollar	.5678	.5165	.5188	—
Australia	Pound	4.8666	3.5620	3.5468	3
New Zealand	Pound	4.8666	3.5764	3.5612	4

The Dominion Bureau of Statistics has supplied the following note:—

Foreign exchange movements again showed erratic fluctuations during the week ended September 9. Sterling spot rates dropped from \$4.4525 on September 5 to \$4.3233 on the 7th but by the close had recovered fractionally to \$4.3541. It was reported during the earlier part of the week that the Bank of England had taken control over the regulation of all gold and foreign exchange transactions. A further announcement from the bank stating that the authorities would buy sterling at \$4.02 and sell at \$4.06 (New York funds) served to steady the pound in the latter half of the week. Moving down with sterling, the French franc finished the week considerably lower at 2.44 cents as compared with 2.555 cents on September 5. United States funds were quoted at a premium of 9½ per cent on September 5, eased to 6½ per cent on the 7th, but by the close had again advanced to 7½ per cent over the Canadian dollar.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Paper Doilies and Serviettes.....	397	Cork, Ireland.....	Agency.
Rubber Sheetting.....	398	Singapore, Straits Settlements.....	Purchase.
Rubber Cut Tubing.....	399	Singapore, Straits Settlements.....	Purchase.
Metal Parts for Revolving Office Chairs.....	400	Port of Spain, Trinidad....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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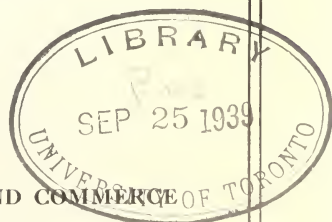
Ottawa, September 23, 1939

No. 1860



House of Canadian Western Red Cedar under construction for the
Scottish Special Areas Housing Association Limited

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Ottawa, September 23, 1939

No. 1860

FOREIGN EXCHANGE CONTROL

Under the authority of the War Measures Act, Chapter 206 of the Revised Statutes of Canada, 1927, a Foreign Exchange Control Board, responsible to the Minister of Finance, was established by Order in Council 2716 dated September 15 and effective September 16, 1939.

The object of the Board is to ensure that Canada's resources of foreign exchange shall be used to the best advantage in the national war effort, and to this end the Board is given wide powers to regulate all transactions in foreign exchange and foreign securities and to license export and import trade in all commodities.

The main provisions of the Order in Council have already received wide publicity in the press and it is necessary to repeat here only those provisions that are particularly important to exporters. These are briefly as follows:—

1. Any resident of Canada having in his possession, ownership or control, any foreign exchange, bills of exchange, or any other forms of foreign exchange, having a total value of more than \$1,000, must declare such foreign exchange to the Board forthwith on forms obtainable from authorized dealers, that is from Canadian branches of chartered banks. Any foreign exchange acquired subsequently is to be sold to an authorized dealer.
2. No person shall buy or sell or deal in foreign exchange except through the medium of authorized dealers at rates to be announced by the Board, or through the Post Office which has been appointed a special agent of the Board to sell foreign exchange for small amounts.
3. With a few exceptions noted below no exports may be made without a licence to be obtained from Customs officers. Articles to be sent out of Canada through the mails should be taken direct to a post office, otherwise they will be subject to seizure in the absence of evidence that a licence has been obtained or that the shipment is exempt from licence as the case may be.

LICENCES FOR EXPORT OF GOODS

Regulations covering the export of goods already in effect are given below:—

1. *Licences for Export of Goods* have been established as follows:—

- (a) *General Licence*.—An exporter of goods doing a regular export business of such nature that it would be difficult to obtain a Particular Licence in advance of each export may apply direct to the Foreign Exchange Control Board, Ottawa, for a General Licence on Form A.
- (b) *Declaration of Goods Exported under General Licence*.—Form B must be completed by the exporter after each export of goods under a General Licence, and submitted to a Collector of Customs and Excise.
- (c) *Particular Licence*.—Any exporter not holding a General Licence must, in respect of each exportation of goods apply for a Particular Licence on Form B through a Collector of Customs and submit it to the Collector of Customs at the port of export.

2. *Where no foreign exchange is to be received for an export*, the exporter must, whether holding a General Licence or not, obtain a permit on Form D, through an authorized dealer in advance of exportation.

3. *Licences for Export of Property other than Goods*.—Any person desiring to export currency, securities or other evidences of ownership or indebtedness must apply for a licence on Form K in advance of export, except in the case of the export of foreign exchange on Canadian currency for travel purposes, when Form H must be used. In both cases the application must be made through an authorized dealer.

4. *No licence or permit is required for the following exports*:—

- (a) Goods or other property accepted for export by a transportation agency prior to the date on which the order came into force.
- (b) Travellers' samples.
- (c) Goods taken out of Canada by and with a non-resident to a value not exceeding \$100 in any month.
- (d) Personal effects belonging to and required by any person leaving Canada.
- (e) Gifts to a value not exceeding \$25 sent from Canada by mail or parcel post by any person or in any calendar month.
- (f) Canadian currency and foreign exchange not exceeding \$100 by any person in any calendar month.
- (g) Any non-resident may take with him on leaving Canada Canadian currency or foreign exchange not exceeding the amount brought into Canada by such non-resident when entering Canada.

5. *Disposal of Foreign Exchange*.—It is a condition of every licence to export that the proceeds in foreign exchange shall be declared and offered for sale to the Board through an authorized dealer as soon as it is obtained, for which purpose Form C must be used.

6. *Exports by Mail or Parcel Post*.—Licences and permits are required for exports by mail or parcel post. In the case of exports of goods, application for a licence in Form B must be submitted to the Postmaster at the time of mailing. In the case of other property, a licence on Form K must be obtained in advance from an authorized dealer and surrendered to the Postmaster. A permit on Form D must also be obtained in advance in the circumstances mentioned in paragraph 3 above.

7. *Exports to Newfoundland*.—All the requirements mentioned above apply except that in the case of an exportation of goods to Newfoundland from which no foreign exchange is to be received no permit on Form D is necessary.

8. The forms referred to herein may be obtained from the Board at Ottawa or as follows:—

Forms A and B—from Collectors of Customs and Excise or authorized dealers.*
Forms C, D, H, and K—from authorized dealers.*

* Canadian branches of chartered banks.

It is not intended that there should be any undue interference with legitimate export trade, subject only to compliance with the Regulations. It is essential, however, that these be observed and heavy penalties by way of fine or imprisonment may be imposed on anyone failing to do so. It is desirable, therefore, that everyone engaged in export trade should read the provisions of the Order itself and the Regulations of the Board. Further information may be obtained from Collectors of Customs and Excise or chartered banks, or inquiries may be directed to the General Secretary of the Foreign Exchange Control Board, Ottawa, or to the Bank of Canada, Ottawa.

UNITED KINGDOM CHEESE MARKET

G. R. PATERSON, ACTING ANIMAL PRODUCTS TRADE COMMISSIONER

London, July 21, 1939.—The total consumption of cheese of all kinds is much higher in the United Kingdom than in all other countries except Germany, the United States, and France. For years this market has been an important outlet for Canadian Cheddar cheese, which enjoys an established position by reason of its excellent quality.

UNITED KINGDOM CONSUMPTION OF CHEESE

During the five-year period 1934-38 there was consumed in the United Kingdom an annual average of approximately 425,000,000 pounds of cheese.

The important position held by the United Kingdom in this respect is shown in Tables I and II which follow. It will be apparent, however, that cheese consumption, both in total quantity and per capita decreased slightly during the period 1931-37.

Table I
Consumption of Cheese in Certain Countries

	1931	1932	1933	1934	1935	1936	1937
		In	Thousand	Cwts.	of 112	Pounds	
United Kingdom.. . . .	4,183†	*	*	3,937	3,804	3,717	3,639
Australia‡.. . . .	216	224	260	207	229	274	*
Canada.. . . .	325	305	323	347	356	359	351
Union of South Africa§ .. .	70	63	57	66	70	88	95
Foreign countries:							
United States.. . . .	4,950	4,855	5,057	5,469	5,971	6,140	6,167
Switzerland.. . . .	631	637	659	688	649	691	746
Germany.. . . .	6,850	6,614	6,831	6,268	6,278	7,053	7,250
France.. . . .	4,124	4,100	4,057	3,958	4,691	4,607	*
Netherlands	926	844	1,137	1,100	1,113	1,277	1,227
Denmark.. . . .	422	348	350	381	439	463	437
Argentina.. . . .	299	309	397	439	416	541	*

† Twelve months ending June 30 of following year.

§ Twelve months ending August 31. * Details not available. † 1930.

Table II
Estimated per Capita Consumption of Cheese

	1931	1932	1933	1934	1935	1936	1937
			Figures in Pounds				
Empire countries:							
United Kingdom.. . . .	10.2†	*	*	9.4	9.1	8.8	8.6
Australia‡.. . . .	3.7	3.8	4.4	3.5	3.8	4.5	*
Canada.. . . .	3.5	3.3	3.4	3.6	3.6	3.7	3.5
Union of South Africa§ .. .	4.3	3.8	3.4	3.9	4.1	4.9	5.2
Southern Rhodesia||.. . . .	*	5.0	4.8	5.2	5.7	5.3	4.9
Foreign countries:							
United States.. . . .	4.5	4.4	4.5	4.8	5.2	5.4	5.4
Denmark.. . . .	13.2	10.8	10.8	12.8	13.4	13.2	13.9
France.. . . .	11.2	11.1	11.0	10.8	12.7	12.3	*
Netherlands.. . . .	12.9	11.5	15.4	14.7	14.7	16.7	15.9
Germany.. . . .	11.9	11.5	11.7	10.8	10.4	11.7	11.9
Argentina	2.9	3.4	4.1	3.8	3.8	4.9	*
Switzerland.. . . .	16.3	17.2	19.4	18.5	17.4	17.2	20.1

† Twelve months ending June 30 of following year.

§ Twelve months ending August 31: Europeans only.

|| Non-natives only. * Details not available. † 1930.

Although, as will be indicated in succeeding tables, Cheddar cheese predominates in the United Kingdom market, nevertheless many other types, both domestic and continental, meet with considerable favour. Most of these other types, however, have some special distinguishing characteristic and no further reference is made to them in this report.

UNITED KINGDOM PRODUCTION OF CHEESE

Accurate figures of production of cheese in the United Kingdom are very difficult to obtain. However, taking an average of four years' figures—1934 to 1937—of United Kingdom consumption and United Kingdom imports as reported by the Imperial Economic Committee, shown in Tables I and III, as the basis of an estimate, gives a figure of 945,000 cwts. per annum as the average annual production for that period. This figure agrees very closely with the estimate of the Milk Marketing Board.

Farm production has increased steadily each year since 1935, and factory output was considerably heavier in 1938 than in 1937, but not as heavy as for the three years 1934, 1935, and 1936. The following table gives the approxi-

mate production of factory and farmhouse cheese in areas covered by the English and Scottish Milk Marketing Schemes:—

Table II A
Production of Factory and Farmhouse Cheese

Year	Factory Long Tons	Farm Tons of 2,240 Pounds	Total
1934.. . . .	36,450	13,780	50,230
1935.. . . .	46,630	10,450	57,080
1936.. . . .	42,790	11,910	54,700
1937.. . . .	25,760	12,300	38,060
1938.. . . .	30,240	13,440	43,680

Although many types of cheese are produced in the United Kingdom, factory production is confined largely to the Cheddar type, as this process is mostly suited to the routine of factory operations. Farm-produced cheese in the United Kingdom consists of many different kinds, over 50 per cent of which is estimated to be of the Cheshire type, 30 per cent Cheddar, 14 per cent Lancashire, the balance being made up of such types as Wensleydale, Caerphilly, Stilton, and many others.

Processed cheese has been an important item in the cheese market in the United Kingdom for many years. It has been said that there have been as many as one hundred different brands of this type of cheese on the market at one time. Processed types of cheese have been in considerable demand, due principally to their mildness of flavour, ease in handling, and convenient packages. The most important brands of package cheese in this market contain a percentage of first-class Cheddar, and Canadian Cheddar is in considerable demand for this purpose. One well-known brand of processed cheese contains one-third each of English, New Zealand, and Canadian Cheddar. The number of brands of processed cheese seems to have been diminishing in recent years, but they are still an important outlet for Cheddar.

UNITED KINGDOM IMPORTS OF CHEESE

Table III, which follows, shows the imports of cheese from all important sources of supply for the past eight years. The years of heavy importation—1932, 1933, and 1934—were succeeded by two years of somewhat less volume during a period when United Kingdom production was relatively high. In 1937 and 1938, however, domestic production fell off slightly, and importations recovered.

It will be observed that Canada competes with New Zealand for the bulk of importations into the United Kingdom. In other words, the Cheddar cheese requirements of the United Kingdom are largely supplied by the two Dominions.

Table III
Imports of Cheese into the United Kingdom by Countries

Country	1931	1932	1933	1934	1935	1936	1937	1938
Netherlands.. . . .Cwts.	168,219	170,034	122,179	127,679	199,217	181,542	217,252	202,339
£	573,934	454,680	282,364	268,391	301,756	325,369	434,271	417,345
Italy .. . . .Cwts.	131,783	106,094	90,311	93,688	79,893	14,005	61,729	70,441
£	637,034	449,083	339,954	329,724	336,902	60,633	274,793	17,990
Australia .. . . .Cwts.	68,036	73,534	92,476	114,473	134,249	91,008	119,580	237,668
£	193,348	210,975	219,776	250,072	303,768	239,154	351,914	751,194
New Zealand.. . . .Cwts.	1,732,620	1,849,132	2,059,393	2,092,044	1,762,915	1,681,147	1,730,723	1,639,486
£	4,947,571	5,435,623	4,888,002	4,677,375	4,198,564	4,773,989	5,391,033	5,466,696
Canada .. . . .Cwts.	706,725	747,478	629,715	520,223	470,533	602,541	721,671	678,130
£	2,322,269	2,266,070	1,665,669	1,290,331	1,286,560	1,926,353	2,457,532	2,331,142
Other countries .. . . .Cwts.	78,411	56,841	45,593	40,432	67,544	106,246	84,952	100,050
£	388,551	273,326	216,335	198,624	271,543	464,093	343,372	399,260
Total .. . . .Cwts.	2,885,794	3,003,113	3,039,667	2,988,539	2,714,351	2,676,489	2,935,907	2,928,114
Total.. . . .£	9,062,707	9,089,757	7,612,100	7,014,517	6,649,093	7,789,591	9,252,915	9,683,627

During the period 1931-37 inclusive the re-exports averaged approximately 27,000 cwts. per annum.

The following table shows monthly imports of cheese into the United Kingdom from Canada and New Zealand for the years 1934 to 1938 inclusive:—

Table IV

Monthly Imports into the United Kingdom from Canada and New Zealand

	1934		1935		1936		1937		1938	
	Canada	New Zealand	Canada	New Zealand	Canada	New Zealand	Canada	New Zealand	Canada	New Zealand
Figures in Cwts. of 112 Pounds										
January..	9,219	252,280	709	212,145	2,861	153,122	3,640	190,445	1,487	122,467
February..	1,746	206,864	2,640	213,250	3,115	180,678	1,198	160,130	2,077	219,727
March ..	990	263,530	1,033	188,535	2,644	164,336	1,248	205,465	4,544	146,370
April ..	478	183,908	639	198,435	834	181,286	597	169,684	3,024	169,267
May ..	4,577	221,585	7,846	171,743	25,708	174,261	17,992	147,536	37,253	118,668
June ..	15,020	189,706	9,403	129,400	39,264	178,767	49,755	108,188	45,241	173,689
July..	58,715	169,849	44,467	131,578	80,785	102,330	120,025	147,780	83,915	150,955
August ..	74,533	142,481	53,581	104,450	60,888	89,328	111,963	127,414	99,200	103,347
September ..	67,690	121,003	102,648	104,848	71,462	118,917	116,201	119,106	109,904	120,759
October ..	101,532	108,494	96,198	141,917	103,046	120,123	107,610	136,571	98,271	116,776
November ..	83,174	161,763	56,053	87,222	74,412	142,599	76,947	117,023	121,482	133,424
December ..	19,848	158,349	18,393	163,855	53,898	164,719	45,662	172,156	409,633	91,936

SEASONAL IMPORTS FROM CANADA AND NEW ZEALAND

The bulk of Canadian cheese reaches the United Kingdom during the last six months of the year. This is a well-known condition, the reasons for which are equally well known. Canadian production is very seasonal, and exports are largely in the hands of exporters some of whom may ship direct to their United Kingdom agents or through brokers or commission agents. Inasmuch as Canadian cheese is, to quite a large extent, held for maturity, the exporter or importer assumes the risk of market fluctuation. Incidentally, costs of handling and holding are important items that can only be dealt with in a more detailed treatment of the subject.

New Zealand cheese also is imported to some extent seasonally. But although lesser quantities arrive during the autumn months, nevertheless the continuity of supply is much more regular than in the case of Canadian.

The following table shows imports of cheese into the United Kingdom from Canada and New Zealand in 1938 and several preceding years:—

Table V

Imports into the United Kingdom from Canada and New Zealand

	From Canada In Cwts. of 112 Pounds	From New Zealand
1904..	2,083,030	82,046
1908..	1,685,921	276,212
1913..	1,373,990	608,933
1923..	1,065,504	1,428,762
1928..	924,252	1,551,523
1937..	652,838	1,801,498
1938..	678,130	1,639,486

GROWTH OF NEW ZEALAND EXPORTS TO THE UNITED KINGDOM

In 1904 New Zealand exported 82,046 cwts. of cheese to the United Kingdom. In 1934 they amounted to 2,092,000 cwts. and in 1938 to 1,639,000 cwts. That country has therefore multiplied her exports to the United Kingdom by 20 in thirty-five years. New Zealand is dependent upon the United Kingdom for the marketing of 97 per cent of her cheese production, and is now by far

the most important exporter to the British market. In 1938 she supplied over 56 per cent of the total United Kingdom imports, and during an eight-year period, 1931-38, averaged 62 per cent.

New Zealand cheese has never been considered the equal of Canadian in quality. Nevertheless, it seems well suited to the modern demand on the part of many consumers for a mild-flavoured cheese. By means of a strict system of supervision and grading, New Zealand has been able to supply this market with a large volume uniform in quality and continuous in supply.

The export of New Zealand cheese is highly organized. Its arrival and distribution in the United Kingdom are also subject to supervision. Distribution is made through a group of selected importers who handle all allotments on consignment. During recent years the Export Board has paid a set price for the cheese in New Zealand and has sold on consignment through the Dairy Board in London to the importers. During the first year of operation there were some losses. In the second year it is reported that a profit was realized, but during the past year heavy losses have been met by the New Zealand Government. However, the fact that the cheese producers have received a uniform price for their product may to some extent offset any financial loss sustained by the New Zealand taxpayers in general.

CANADIAN POSITION

Table V, above, shows how New Zealand's share of the United Kingdom cheese market has increased in volume during the past thirty-five years, and how, during the same period, Canada lost 67½ per cent of the volume she once sold in the same market.

Canadian Cheddar cheese enjoys a premium over other imported cheese of this type. Table VI (page 576) shows the extent of this premium from month to month during the past eight years. During 1938 the average premium was 1.35 cent per pound. This condition has been largely due to the fact that Canadian Cheddars are considered second only to best farm-made English and Scotch Cheddar by many British consumers. It meets their requirement of quality. And, providing the margin in price between the milder flavoured types of Cheddar and matured Canadian is not too great, there is reason to believe that the latter will at least maintain its relative position and in time regain some of its lost ground.

It must be borne in mind, however, that many British consumers are price buyers. Once cheese goes beyond 9d. to 10d. (18 to 20 cents) per pound in the shops, consumers tend to turn to a relatively cheaper food.

Complaints registered against Canadian cheese are relatively few in number. They usually embrace such things as broken cases, vermin damage, presence of foreign substances, and soft ends. The new export regulations concerning package and wiring appear to be taking care of the first mentioned. Vermin damage, occurring prior to boxing, and the presence of foreign matter are purely producer problems, and as such are worthy of their greatest consideration. The problems of soft ends appears to be more complicated, and although, fortunately, the number of cheeses so affected is relatively small, nevertheless, further attention to its solution is warranted.

TYPES OF CHEESE IN DEMAND

Colour and maturity are two important factors in so far as the consuming public are concerned. The former can be more or less definitely allocated to various areas in the United Kingdom; the latter is much more an individual preference.

Generally speaking, the proportions of both New Zealand and Canadian imports are two-thirds white and one-third coloured.

The following summary, as given by a firm of well-known importers, will show the situation so far as the colour factor is concerned:—

London.—Two-thirds white, one-third coloured.

Southampton and South Coast.—All white.

Cardiff, Avonmouth, and West.—All white.

Birmingham.—Practically all white.

Manchester, Yorkshire.—Twenty per cent coloured, 80 per cent white.

Liverpool.—Practically all coloured, but considerable white imported for outside distribution.

Hull, Newcastle, and Northeast.—All coloured.

Nottingham and Leicester.—All coloured, deep red preferred.

Glasgow, and Scotland.—Pale straw colour preferred, except in Inverness district, where deeper colour is wanted. White cheese requirements in Scotland mostly supplied by local trade.

The question of maturity in Cheddar is of considerable importance. Here again we summarize the remarks of the same firm of importers of both Canadians and New Zealands:—

London.—In London very little Canadian cheese is sold to the public until it has become matured, whereas practically all New Zealand cheese is sold before it has matured to any extent. Consequently, New Zealand provides for those who like a "mild" cheese, and Canada for those who like a "strong" cheese. Practically no Canadian cheese is consumed on arrival in London; about 50 per cent when a little over three months old; about 30 per cent when six months old, and the balance when more than six months old.

Liverpool.—The bulk of Canadian cheese is sold for consumption shortly after arrival.

Manchester.—About 10 per cent of Canadian cheese is sold for consumption on arrival, and the balance is held for approximately three to four months.

Birmingham.—About 40 per cent of Canadian sold on arrival; 60 per cent after maturity.

Cardiff.—Very few buyers hold for maturity, preferring to purchase matured from London importers who cater to that trade.

Newcastle.—Price is too big a factor to allow Canadian cheese to reach any degree of maturity.

Glasgow.—June and September Canadians are usually bought for holding three months to a year. Canadian cheese produced during other months is generally purchased for quick sale. Only late-made New Zealands (March to June) are held for any length of time, the far greater proportion being sold on arrival.

Twins and triplets have a small place in the Scottish, Liverpool, and North of England trade. However, one well-known importer considers that 5 per cent of the total Canadian imported into those areas would be the maximum required in those sizes. Some small trade has been done also in 10-pound heads, some of which have been for re-export.

PRICE COMPARISON BETWEEN CANADIAN AND NEW ZEALAND CHEDDAR

Table VI, below, shows the monthly average prices of Canadian and New Zealand finest White Cheddar over a period of eight years, 1931-38. During that period the average premium enjoyed by Canadian over New Zealand was 9s. 2d. per cwt. (approximately 2 cents per pound with exchange at par). Only in one month (July, 1932) did New Zealand show a higher average price than Canadian and that by only 3d. per cwt., and in that instance the Canadian quotation was for new cheese. During the same period Canadian showed as high as 29s. 3d. per cwt. premium over New Zealand (April, 1933).

The actual selling prices as revealed by a review of this table would suggest a lower premium for Canadian as compared with New Zealand during the past three years than prevailed during the first five years of that period. Lesser quantities of New Zealand and increased imports of Canadian during 1936-38 may have been responsible to some extent for this condition.

Table VIA shows monthly average prices during the first six months of 1939. Canada continued to enjoy a substantial premium over New Zealand until the market for 1939 Canadian opened, and further reference to Table VI will show that the quotations for finest New Zealand and new Canadian have been quite close to each other during the month in which the latter first appeared on the United Kingdom market.

Table VI
Monthly Average Prices per Cwt. of Cheese at London

	CANADIAN FINEST WHITE							
	1931 s.d.	1932 s.d.	1933 s.d.	1934 s.d.	1935 s.d.	1936 s.d.	1937 s.d.	1938 s.d.
January..	77.6	70.0	68.0	52.0	59.6	62.0	72.0	73.9
February..	77.6	71.0	68.0	53.6	60.0	62.6	72.0	74.9
March..	76.6	72.6	68.0	55.3	62.0	63.0	73.0	77.3
April..	75.0	72.0	68.0	56.0	62.0	62.0	75.6	78.0
May..	74.0	72.0	70.0	55.6	63.3	63.6	78.3	78.3
June..	74.0	75.6	68.9	56.9	64.0	67.6	80.0	80.0
July..	{72.9*	{84.0*	{69.3*	59.0	64.0	{72.3*	80.3*	80.0
	{61.0†	{58.6†	{55.0†			{64.3†	75.6†	
August..	{71.6*	61.0	52.3	{60.9*	{65.0*	68.9	71.3	80.0
	{62.9†			{52.0†	{52.9†			
September	63.0	66.6	55.0	51.9	55.9	71.3	70.3	{80.0*
								{72.0†
October..	70.0	68.9	54.3	52.0	61.6	70.3	71.6	72.9
November	70.0	69.0	54.0	54.6	58.6	73.3	73.6	72.6
								{80.0*
December	70.0	68.3	52.3	55.9	59.6	71.9	73.6	{72.6†
‡Average..	71.0	68.9	61.3	54.6	60.3	67.3	74.3	76.0

* Old. † New. ‡ The yearly average for Canadian is calculated on "old" cheese from the period January to June and on "new" from July to December for 1931-33, and January to July on "old" and August to December on "new" from 1934.

NEW ZEALAND FINEST WHITE

	1931 s.d.	1932 s.d.	1933 s.d.	1934 s.d.	1935 s.d.	1936 s.d.	1937 s.d.	1938 s.d.
January..	58.0	58.6	47.9	45.0	47.3	54.9	55.6	67.9
February..	56.9	62.3	45.6	43.6	48.3	52.6	53.0	67.6
March..	55.9	61.3	41.9	43.6	45.6	50.3	60.6	69.3
April..	51.0	61.6	38.9	43.0	44.9	53.6	68.3	69.6
May..	50.6	57.9	47.0	44.9	43.9	57.0	72.6	70.0
June..	54.9	56.3	48.0	48.0	44.6	59.9	74.3	68.9
July..	60.0	58.9	49.3	48.3	44.9	61.6	73.0	69.0
August..	62.6	60.9	49.0	49.6	48.6	68.9	70.3	71.6
September	62.0	64.6	52.0	48.3	54.9	68.9	68.6	72.6
October..	69.0	66.0	49.6	49.6	60.3	70.0	71.0	71.6
November..	67.3	63.3	50.0	51.6	52.6	72.3	71.9	68.9
December..	61.3	56.0	48.3	45.0	54.0	62.9	66.0	69.3
Average	59.0	60.6	47.3	46.9	49.0	61.0	67.0	69.7

Table VIA

Monthly Average Cheese Prices per Cwt., 1939, on London Provision Exchange

Finest White Canadian		Finest White New Zealand	
	s. d.		s. d.
January..	79 0	January..	69 6
February..	75 6	February..	66 0
March..	73 6	March..	61 0
April..	73 9	April..	60 0
May..	73 3	May..	54 0
June..	72 3	June..	60 6

PRESENT SITUATION AND SEASONAL OUTLOOK

The year 1939 opened with some accumulation of cheese stocks in the United Kingdom, particularly from New Zealand. After holding steady at 60s. during a period of eight weeks in the spring (March, April, and May), the

price of New Zealand suddenly receded until it reached a low level of 48s. per cwt., at which time large quantities were bought up quickly, particularly by the multiples. Canadian 1938 make remained reasonably firm during this period at 70s. to 74s., but without much activity in the market. Early 1939 make Canadian were offered as low at 50s. (May 22, 1939) and some c.i.f. offers for 1938 make were made at 65s. during the period that low prices were paid for New Zealand.

However, the market recovered rather quickly until at time of writing New Zealand coloured is selling at 67s. and white at 64s. 6d. Old Canadian is steady at 72s. to 74s. and June c.i.f. cables are quoting 62s. (at July 17). The market at the time of writing may be considered firm, but buying activity has not been pronounced except at infrequent intervals. Weather is an important factor notwithstanding that cheese is consumed the year round. Given a couple of months of warm weather there should be a reasonably good market as consumption normally reacts, to a certain degree, to that condition.

New Zealand prospects indicate a smaller make which will be offset to some extent by increased production in Australia.

The Canadian position would appear to be comparatively satisfactory. Home production is indicated to be less than in 1938, and consumption slightly increased, due, it is suggested, to some extent, to the present program of military training.

Taking a long view, there would seem to be some opportunity for more well-matured extra quality Canadian Cheddars finding favour with consumers who in the past have demanded high-quality home-produced farmhouse Cheddar. Present production of the latter is very limited, and Canadian is the only type capable of taking its place.

GRAIN AND FLOUR IMPORTS INTO SCOTLAND, JANUARY TO JUNE

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

WHEAT

Glasgow, August 10, 1939.—During the first half of this year imports of Canadian wheat into Scotland, amounting to 428,250 quarters (of 8 bushels), were substantially higher than the figure for the corresponding period of 1938. They were only about 45 per cent of total imports, however, as compared with 47 per cent in 1938, since total imports were much higher than for several years past as a result of increased shipments from the United States, France, Argentina, and from what are described in the returns as Mediterranean and Black Sea ports, presumably Roumania. The imports from various countries for the past four years and in 1929 are shown in the following table; it will be noted that Canada's shipments in the 1939 period do not differ greatly from those of the similar period of ten years ago:—

Imports of Wheat into Scotland

	1939	1938	1937	1936	1929
			January to June		
			Quarters of 8 Bushels		
Totals (including coast and minor shipments)	947,603	687,238	825,430	694,536	688,252
Canada	428,250	324,116	508,768	405,351	444,943
Australia	134,612	179,925	233,278	230,627	91,712
United States	174,136	131,497	.....	.....	91,618
France	73,138	.....	.....	20,536	.....
Mediterranean and Black Sea ports	50,098	12,133	.....	.....	.....
Argentina	31,806	.....	47,572	2,324	.....
Belgium	8,423	9,515	2,571	4,838	.....

While Canada's shipments to Scotland in the first six months of 1939 were 45 per cent of the total imports in that period, her share of the United Kingdom trade was only 29 per cent, and of the total imports into the United Kingdom exclusive of Scotland it was 26 per cent. This is in accordance with the well-known fact that there is a greater preference in Scotland than in other parts of the United Kingdom for a strong flour which can only be obtained from a mixture containing a high proportion of Canadian wheat.

FLOUR

The volume of imports of Canadian flour at Glasgow and Leith during the first six months of this year was substantially greater than in the corresponding period of 1938, and indeed of several years past. Imports amounted to 305,676 sacks (of 280 pounds) or 53 per cent of the total imports at these two ports (figures are not available for Dundee and Aberdeen). In the same period of 1938 Canada's share of the trade was 40 per cent as compared with 44 per cent in 1937 and 59 per cent in 1936.

The following table indicates the quantities imported and the countries of origin during the first six months of 1939 and the three preceding years, comparative figures being also given for 1929:—

Imports of Flour into Glasgow and Leith

	1939	January to June				1929
		1938	1937	1936		
		Sacks of 280 Pounds				
Totals	571,742	590,325	591,364	559,028		589,406
Canada	305,676	239,255	263,459	288,065		315,161
Australia	128,146	184,857	194,325	134,770		91,710
United States	10,337	45,386	8,212	8,595		170,356
France	5,639	552	5,056	3,718		3,857
Belgium	2,588	920	6,672	1,328		.....
Germany	6,600	920	408	.....		.....
Holland	352	360	.....	.....		.....
Danzig	600	.....	.....	2,448		.....

The relative importance of the Scottish market as compared with the rest of the United Kingdom is apparent from the fact that the volume of Canadian flour imported into Glasgow and Leith alone during the first half of this year was 305,000 sacks as compared with 531,000 sacks into all other ports in the United Kingdom. Canada supplied 53 per cent of all imports of flour into Glasgow and Leith, while her share of the combined trade at all other United Kingdom ports was 32 per cent. If figures were available for Dundee and Aberdeen, where trade is of substantial proportions, the contrast would be still more striking. The reason for this is the same as that already given for the proportionately heavier imports of wheat—the preference in Scotland for the stronger flour made from Western Canadian wheat. The imports of flour at Aberdeen and Dundee in 1937 were 173,700 sacks and 40,823 sacks respectively. The countries of origin are not given in the statistics, but the largest proportion in each case was from Canada.

BARLEY

In 1938 the imports of Canadian barley into Glasgow and Leith were more than two and one-half times those of 1937 and over three times those of 1936. In the first six months of this year there was a recession in the trade as compared with the corresponding period of 1938 but a heavy increase as against 1937 and 1936. The following table shows the position in detail:—

Imports of Barley into Scotland

	1939	January to June		1936
		1938	1937	
		Cwts. of 112 Lbs.		
Totals	1,090,405	1,750,153	1,140,508	822,298
Canada	297,786	467,313	231,715	182,375
Australia	336,669	871,757	400,162	183,978
United States	198,188	93,500	31,780	198,157
Germany	22,220	29,000	62,140	2,540
Danzig	23,920	5,080	50,200	53,060
Denmark	54,700	99,360	40,480	.....
Belgium	29,720	5,100	55,870	.....
Mediterranean and Black Sea ports . . . . .	.....	.....	207,791	122,035
Argentina	23,240	10,000	89,640	.....

OATS

During the first six months of this year a total of 45,871 cwts. of Canadian oats have been imported into Glasgow and Leith as compared with 262 cwts. in the corresponding period of 1938 and 20,231 cwts. and 5,004 cwts. in 1937 and 1936 respectively. The total imports for the first half of this year amounted to 64,219 cwts., which included negligible quantities from Denmark and Sweden.

OATMEAL

The imports of oatmeal into Scotland for the first six months of this and several previous years are shown in the following table:—

Imports of Oatmeal into Scotland

	1939	January to June		1936
		1938	1937	
		Cwts. of 112 Lbs.		
Canada	2,192	1,468	3,106	717
Holland	832	736	8	....
Germany	354	1,120	1,900	....
Danzig . . . . .	....	....	....	1,200
United States . . . . .	....	800	....	59

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, August 18, 1939.—In 1938-39 there were 14,224,000 acres sown to wheat in Australia and 154,426,000 bushels of wheat produced at an average yield of 10·86 bushels per acre. The area sown was slightly under the average for the ten years ended 1939, while production was 9 per cent below the average.

Particulars of the area sown to wheat for grain in the several states in the current season are not yet available, but estimates obtained from official sources point to an area approximating 13·5 million acres.

WHEAT PRICES

July opened with shippers' limits for growers' lots averaging 2s. 4d. (approximately 43 cents Canadian) per bushel. Gains on the overseas grain exchanges, as a result of adverse reports of the United States spring crop and rumours of crop losses in Europe, were reflected in a slight rise in local prices early in the month. This steadier tone was not maintained, however, in face

of bearish reports of the Canadian crop, and in sympathy with the overseas exchanges local prices sagged steadily. The month closed with shippers' limits at 2s. 1d. (equivalent to 39 cents Canadian) per bushel.

The weighted average of shippers' limits during July for the past six years is as follows: 1934, 33·78d.; 1935, 34·42d.; 1936, 46·63d.; 1937, 65·21d.; 1938, 42·02d.; 1939, 26·15d.

EXPORTABLE SURPLUS

Since the beginning of the season—that is, since December 1, 1938—Australia has exported wheat and flour equal to 72,330,721 bushels of wheat, leaving an exportable surplus, after allowing for domestic requirements, of 39,476,094 bushels. Some reports indicate an exportable surplus of as little as 21,000,000 bushels, although the authorities for this reduced figure are not quoted.

AID FOR THE WHEAT INDUSTRY

During the past month increased publicity has been given to the incipient plight of wheatgrowers and various plans have been put forward by interested parties for the alleviation of the distress in which the wheatgrowers are expected to find themselves should the present uneconomic trend of wheat prices continue. Through the Prime Minister (Mr. Menzies) the Commonwealth Government made a proposal to advance £A2,000,000 to aid the wheatgrowers, with the six states contributing £A1,500,000. These contributions, together with the £A3,750,000 raised by means of the flour tax, would guarantee an average of 3s. 4d. a bushel f.o.r. (equivalent to 53 cents Canadian). The Prime Minister, in support of his proposal for contributions by the states, indicated that control of production was not within the purview of the Commonwealth Government and that, as the states had failed to give regard to this problem, they should bear portion of the responsibility for such failure. All the states, excepting Victoria and Tasmania, signified their intention to accept this plan. The Victorian Premier, Mr. Dunstan, sought to assert that assistance of primary industry is essentially a national responsibility and that to call upon a state to allocate money by way of bounty for the assistance of primary industry, when all of the money so allocated would not be distributed within that state's borders, might be contrary to the provisions of the Commonwealth Constitution.

Mr. Palmer cabled under date September 15 as follows:—

Shipments of wheat and flour from Australia from December 1, 1938, to September 1, 1939, totalled 75,199,000 bushels in terms of wheat, leaving an exportable surplus of 34,899,000 bushels. The Commonwealth Government has appointed a committee to control a compulsory federal wheat pool for acquisition of all Australian wheat, which will be sold at ruling prices when opportunity offers and shipping space is available. The return for the whole harvest is to be equalized among farmers to yield an average price for the season, payments being made in instalments throughout the selling season. At the price of 2s. 3d. (equivalent to 38 cents Canadian) per bushel f.o.b. Australian ports, fixed by the British Government, wheat is unobtainable in Australia. A tribunal is to be appointed to which farmers may appeal for examination of contracts made since the outbreak of war, to prevent the undue exploitation of farmers. Exports of flour to China ceased prior to the formation of the wheat pool as no freights were available and currency is in a chaotic condition. The British Government will fix a price for flour, with buying for the United Kingdom conducted through the Australian wheat pool. No vessels are being offered for chartering. New crop prospects continue favourable, and the unofficial estimate of production is 193,000,000 bushels.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to September 2, 1939:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to Sept. 2, 1939 Quantity Per Cent
Cattle (700 pounds or more) ...Head	225,000	3 to 1½ cts. per lb.	129,915 57.5
Cattle (less than 200 pounds) ...Head	100,000	2½ to 1½ cts. per lb.	68,614 68.6
Whole milkGals.	3,000,000	6½ to 3¼ cts. per gal.	4,479 0.149
CreamGals.	1,500,000	56⅔ to 28¾ cts. per gal.	580 . . .
Filletted fish, fresh or frozen—cod, haddock, hake, pollock, cusk and rosefishLbs.	15,000,000	2½ to 1⅞ cts. per lb.	6,509,860 43.4
Seed potatoes Bus.	1,500,000 beginning Sept. 15, 1938	75 to 60 cts. per 100 lbs. Dec. 1 to end of February; 37½ cts. Mar. 1 to Nov. 30	995,979 66.4
White or Irish potatoes, other than seed potatoesBus.	1,000,000 beginning Sept. 15, 1938	75 to 60 cts. per 100 lbs. Dec. 1 to end of February; 37½ cts. Mar. 1 to Nov. 30	18,381 1.8

Total imports of cattle weighing 700 pounds or more, other than dairy cattle, during the period January 1 to September 2, 1939, amounted to 175,744 head. Of this amount 45,829 head or 20.4 per cent came from countries other than Canada. The 175,744 head imported included 170,061 head dutiable at the reduced rate under the trade agreement and 4,908 head at the full tariff rate. During the period July 1 to September 2, 1939, there were 43,900 head imported from Canada, which represented 84.88 per cent of the tariff rate quota for the third quarter of the calendar year. Imports for this period from countries other than Canada totalled 7,685 head, which represented 92.81 per cent of the quota allotment for the third quarter.

Total imports of cattle under 200 pounds amounted to 99,052 head or 99 per cent of the total quota. Of this total 30,438 head or 30.4 per cent came from countries other than Canada.

Receipts of white or Irish potatoes, other than certified seed potatoes, amounted to 21,290 bushels or 2.13 per cent of the total quota. Of this total 2,909 bushels or 0.29 per cent came from countries other than Canada.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF AUGUST, 1938 AND 1939)
ENDED AUGUST, 1938 AND 1939)

Note:—The descriptions of commodities used in the following table are taken from Canadian statistical classification of exports and in many instances are not identical with the terms of the concessions secured in the trade agreement, which are based on United States tariff classification. In cases where the two classifications vary materially, the tariff rates quoted apply to the commodities for which statistics are given only as and to the extent indicated. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities			Value				United States Tariff	
	Month of August		Eight months ended August	Month of August		Eight months ended August		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1938	1939		1938	1939	1938	1939		
AGRICULTURAL AND VEGETABLE PRODUCTS									
Fruits and vegetables—									
Blueberries, frozen.....	100,500	140,160	478,028	6,461	9,497	28,830	32,661	35% ad val.	17½% ad val.
Blueberries, fresh, n.o.p.....	1,055,903	393,831	1,077,559	77,160	23,438	78,660	48,056	1½c. per lb.	1c. per lb.
Certified seed potatoes.....	1,425		187,830	855		99,623	232,635	75c. per 100 lbs.	37½c. per 100 lbs., March 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.
Potatoes, n.o.p.....		107	122,275		57	55,447	105,891	75c. per 100 lbs.	37½c. per 100 lbs., Mar. 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.
Turnips.....	23,702	16,277	1,043,817	8,742	6,863	383,084	333,800	25c. per 100 lbs.	12½c. per 100 lbs.
Grains and farinaceous products—									
Barley.....		152,236	115,319		51,771	64,747	331,202	20c. per bu.	15c. per bu.
Oats.....		439,700	6,233		130,232	2,988	695,532	16c. per bu.	8c. per bu.
Rye.....		475,905	19,999		173,846	10,799	531,518	15c. per bu.	12c. per bu.
Bran, shorts and middlings.....	1,562	421,089	33,164	1,016	308,484	29,160	2,374,184	10½% ad val.	5½% ad val.
Cereal foods, prepared.....				4,997	4,890	50,177	45,895	20% ad val.	10% ad val.
Malt.....	95,931	185,615	704,514	107,352	168,679	768,624	1,063,513	40c. per 100 lbs.	40c. per 100 lbs., if barley malt; 35c. per 100 lbs. if rye malt.
Screenings (grain).....	78,761	83,900	411,661	8,102	10,441	92,965	123,944	10% ad val.	5% ad val.
Maple syrup.....		3,829	1,580		6,198	2,636	211,735	4c. per lb.	2c. per lb.
Maple sugar.....	1,299,352	51,884	6,091,531	193,642	9,667	986,596	849,248	6c. per lb.	3c. per lb.
Whiskey.....	125,293	92,303	1,540,991	492,766	504,823	6,122,694	3,485,689	\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years

Seeds—		709	17,864	23,420	9,549	292,183	263,629	8c. per lb.	4c. per lb.
Clover seed, alfalfa.....	Bu.		2,037	228		22,947	1,573	8c. per lb.	4c. per lb.
Clover seed, alsike.....	Bu.		10,557	57		160,753	333	4c. per lb.	4c. per lb.
Clover seed, red.....	Bu.		46,377	60,984		106,952	4c. per lb.	2c. per lb.	2c. per lb.
Clover seed, sweet (a).....	Bu.			96,432	4,206	98,553	156,912	2c. per lb. if timothy; 40c. per lb. if blue grass; 5c. per lb. if blue grass; 24c. per lb. if blue grass; 2c. per lb. if wheat grass.	1c. per lb. if timothy; 20c. per lb. if blue grass; 24c. per lb. if blue grass; 2c. per lb. if wheat grass.
Grass seed.....	Bu.	364						2c. per lb. if brome grass.	1c. per lb. if brome grass.
Beet pulp (a).....	Cwt.			205			263	\$5 per ton (2,240 lbs.)	\$3.75 per ton (2,240 lbs.)
Hulls of grain (a).....	Cwt.	20,100		91,579	7,667		33,872	10c. per 100 lbs.	5c. per 100 lbs.
Mixed feeds (a).....	Cwt.				9,954		47,295	10% ad val.	5% ad val.
Hay.....	Ton	189	12,430	25,930	9,693	92,671	170,699	\$5 per ton (2,000 lbs.)	\$2.50 per ton (2,000 lbs.)
Straw.....	Ton	103	1,716	3,913	561	7,667	15,493	\$3 per ton (2,000 lbs.) if flax straw; \$1.50 per ton (2,000 lbs.) if otherwise.	\$1.50 per ton (2,400 lbs.) if flax straw; 75c. per ton (2,000 lbs.) if otherwise.
ANIMALS AND ANIMAL PRODUCTS									
Animals, living—									
Cattle for improvement of stock.....	No.	669	5,595	5,915	97,301	507,733	535,370	Free.	Free.
Cattle, dairy, weighing over 700 lbs.....	No.	631	4,026	5,758	73,148	259,401	373,672	3c. per lb.	14c. per lb.
Cattle, n.o.p., weighing less than 200 lbs.....	No.	3,248	37,655	71,273	139,562	556,932	1,116,199	24c. per lb.	14c. per lb.; 24c. per lb. on imports in excess of 100,000 head during any calendar year.
Cattle, n.o.p., weighing over 700 lbs.....	No.	5,196	32,244	129,775	280,989	1,876,716	8,915,276	3c. per lb.	14c. per lb. on imports in excess of 225,000 head during any calendar year, or 60,000 head during any quarter (b) not more than \$150; 20% ad val. if valued at more than \$150; 4c. per lb. 1c. per lb.
Horses, n.o.p.....	No.	173	4,467	4,451	22,004	32,301	548,942	\$30 per head if valued at not more than \$150; 20% ad val. if valued at more than \$150.	\$15 per head if valued at not more than \$150; 17% ad val. if valued at more than \$150. 4c. per lb. 1c. per lb.
Poultry, n.o.p.....	No.	8,936	225,124	73,068	4,334	150,109	40,996	8c. per lb.	4c. per lb.
Swine, n.o.p.....	No.	7	176	22	51	1,232	87	2c. per lb.	1c. per lb.
Fish, fresh and frozen—								Free.	Free.
Clams and oysters, fresh.....	Cwt.	1,506	27,176	22,717	3,107	31,541	31,110	Free.	Free.
Scallops, fresh and frozen (a).....	Cwt.	55		1,884		990	37,334	Free.	Free.
Cod, haddock, pollock, hake and cusk, fresh and frozen.....	Cwt.	5,440	41,741	81,365	27,587	53,235	510,417	1c. per lb. (not filleted); 24c. per lb. (filleted)	12c. per lb. without fins removed (not filleted); 1c. per lb. with fins re- moved (not filleted); 14c. per lb. subject to quota (also applies to rose fish), (filleted).
Eels, fresh and frozen.....	Cwt.	165	1,107	847	1,216	7,233	5,614	1c. per lb.	4c. per lb.
Halibut, fresh and frozen.....	Cwt.	4,247	41,786	37,721	38,904	410,043	384,762	2c. per lb.	1c. per lb.
Herring, sea, fresh and frozen.....	Cwt.	32,283	78,480	183,742	17,543	46,065	185,373	Free.	Free.
Lobsters, fresh.....	Cwt.	7,140	9,145	91,467	148,735	1,647,042	1,688,509	Free.	Free.
Mackerel, fresh and frozen.....	Cwt.	2	3,753	7,544	15	54,683	37,153	2c. per lb.	1c. per lb. if fresh; 1c. per lb. if frozen.
Salmon, fresh and frozen.....	Cwt.	7,456	9,079	35,369	84,892	109,887	452,419	2c. per lb.	1c. per lb. if frozen.
Smelts, fresh and frozen.....	Cwt.	1	41,777	50,341	87	401,434	401,134	Free.	Free.
Sturgeon, fresh and frozen.....	Cwt.	787	1,061	2,970	27,628	52,928	109,933	1c. per lb.	1c. per lb. if not frozen.

(a) From January 1, 1939.

(b) Quota for period April 1-Dec. 31, 1939 (165,000 head), allocated 86.2 per cent to Canada and 13.8 per cent to other countries, equivalent to 142,230 head to Canada and 22,770 head to other countries. Maximum quarterly quota (60,000 head) allocated on same basis: Canada 51,720 head, other countries 8,280 head.

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EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF AUGUST, 1938 AND 1939, AND THE EIGHT
MONTHS ENDED AUGUST, 1938 AND 1939)—Continued

Commodities	Quantities				Value				United States Tariff	
	Month of August		Eight months ended August		Month of August		Eight months ended August		Before first Agreement, i.e., 1935	Canada-United States Agreement (Jan. 1, 1939)
	1938	1939	1938	1939	1938	1939	1938	1939		
ANIMALS AND ANIMAL PRODUCTS—Con.										
Fish, fresh and frozen—Con.										
Swordfish, fresh and frozen.....Cwt.	7,536	5,224	8,308	6,141	79,979	71,785	95,902	93,838	2c. per lb.	1c. per lb., if not frozen.
Fresh-water fish, other, fresh and frozen.....Cwt.	35,167	44,098	359,647	376,327	369,082	405,271	3,179,992	3,041,737	1c. per lb. (not filleted); 2½c. per lb. (filleted).	1c. per lb. (not filleted); 2½c. per lb. (filleted).
Fish, salted, dried, smoked, or pickled—										
Cod, haddock, pollock, hake and cusk, dried.....Cwt.	4,436	3,172	30,330	35,827	26,616	18,865	196,949	234,038	1½c. per lb., if containing not more than 43% moisture.	1c. per lb., if containing not more than 43% moisture.
Cod, pollock, hake, and cusk, green-salted.....Cwt.	26,159	35,148	55,599	78,126	67,490	93,247	151,705	215,836	1c. per lb., if containing more than 43% moisture.	1c. per lb., if containing more than 43% moisture.
Cod and haddock, smoked.....Cwt.	317	1,721	15,410	18,608	3,221	15,352	157,873	176,948	2½c. per lb., if skinned or boned.	1½c. per lb., if skinned or boned.
Herring, sea, pickled.....Cwt.	877	45	3,377	3,550	3,646	229	11,428	3c. per lb. (filleted).	1c. per lb. (not filleted); 2c. per lb. (filleted).	1c. per lb. (not filleted); 2c. per lb. (filleted).
Herring, sea, smoked.....Cwt.	81	467	5,649	4,864	443	4,789	24,285	10,470	1c. per lb., net weight.	1c. per lb., net weight.
Mackerel, pickled.....Cwt.	881	1,000	8,085	9,122	2,515	4,096	51,730	31,302	3c. per lb., if boned; 1½c. per lb., if not boned.	1½c. per lb., if boned; 1c. per lb., if not boned.
Salmon, pickled.....Cwt.	170	70	1,424	864	3,267	1,504	22,421	45,653	1c. per lb., net weight.	1c. per lb., net weight.
Salmon, smoked.....Cwt.	8	6	18	26	226	215	492	18,490	25% ad val.	12½% ad val.
Fish, canned—										
Lobsters, canned.....Cwt.	262	189	2,848	5,287	13,486	9,019	148,864	231,999	Free.	Free.
Fur skins, undressed—										
Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed.....No.	177,849	52,745	477,263	450,559	286,555	128,797	1,820,479	2,172,367	Free.	Free.
Fox skins, black and silver, undressed.....No.	594	1,214	6,285	21,196	19,134	21,819	178,920	460,427	50% ad val.	37½% ad val.
Hair and bristles.....Sq. ft.		189,108		1,404,317	691	35,036	7,958	176,159	Free.	Free.
Leather, patent.....Sq. ft.										
Meats—										
Bacon and hams, shoulders and sides.....Cwt.	301	462	4,826	3,851	12,413	11,718	174,854	130,834	3½c. per lb.	2c. per lb.
Pork, fresh, chilled and frozen.....Cwt.	1,619	1,006	17,133	14,181	30,410	20,857	302,973	275,589	2½c. per lb.	1½c. per lb., if fresh or chilled.
Pork, dry-salted.....Cwt.			70				805		3½c. per lb.	2c. per lb.
Pork, pickled, in barrels.....Cwt.	66	268	204	3,183	1,486	5,662	3,119	71,864	6c. per lb., but not less than 20% ad val.	3c. per lb., but not less than 15% ad val.
Edible animal entrails, n.o.p. (a).....Cwt.										
Milk products—										
Cheese.....Cwt.	1,379	1,036	11,009	13,590	23,398	17,121	192,801	227,974	7c. per lb., but not less than 35% ad val.	4c. per lb., but not less than 25% ad val., if cheddar cheese, not further processed than divided into portions.
Cream.....Gal.			5,096	4			11,153	250	½c. per gal.	28½c. per gal.
										50% ad val. on imports in excess of 1,500,000 gals. during any calendar year.

Milk, fresh.....	Gal.	208	202	1,560	2,018	771	721	549	753 64c. per gal.....	31c. per gal.: 9c. per gal. on imports in excess of 3,000,000 gals. during any cal- endar year. 24c. per gal. if sperm oil.
Whale oil.....	Gal.	117,320		376,234		38,363		117,078		5c. per gal. if sperm oil.
WOOD, WOOD PRODUCTS AND PAPER										
Christmas trees.....	No.	30,766	75,061	455,312	708,230	2,889	7,291	2,506	18,587	10% ad val.
Fence posts.....	No.	47,700	41,192	189,891	191,048	163,777	120,879	39,513	61,536	Free.
Telegraph and telephone poles.....	No.	53,003	16,323	169,905	122,683	38,726	11,348	621,400	585,137	Free.
Railroad ties.....	No.	5,246	6,016	31,920	35,342	26,967	32,201	122,462	87,093	Free.
Firewood.....	Cord	13,413	17,251	90,639	104,157	42,462	49,112	165,870	191,673	Free.
Laths.....	M ft.	16,207	14,565	86,396	121,913	182,410	188,351	273,615	291,112	Free.
Logs.....	M ft.	4,886	2,912	22,070	21,828	33,741	24,290	996,151	1,419,837	Free.
Pickets.....	M ft.	124,130	3,275	442,659	153,422	7,537	225	158,266	170,020	Free.
Piling.....	Lin. ft.							26,919	10,048	\$1 M ft. b.m. if fir, spruce, pine, hemlock, or larch.
Planks and boards and square timber— Flooring of hard wood.....	M ft.	33	5	113	98	1,466	386	5,600	5,747	Free if other kinds..... Free if maple, birch or beech.
Planks and boards, hardwood, n.o.p., and square hardwood timber.....	M ft.	3,264	4,102	16,234	27,192	126,244	175,439	658,425	1,118,108	Free, but subject to \$3 M ft. b.m. revenue tax.
Planks and boards and square timber, softwood.....	M ft.	43,605	50,071	253,700	344,972	1,082,909	1,299,933	6,350,184	8,609,067	\$1 M ft. b.m. and \$3 50c. M ft. b.m. and \$1 50 M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch.
Pulpwood.....	Cord	209,464	144,304	881,610	607,360	1,828,740	1,218,446	7,105,513	4,867,454	Free, but subject to \$3 M ft. b.m. revenue tax if other woods.
Shingles.....	Square	270,725	296,769	1,512,364	1,915,597	757,194	823,178	4,051,515	5,388,299	Free.
Staves and headings.....						1,534	3,779	8,504	12,239	Free if staves..... Free.
Wood pulp.....	Cwt.	1,044,564	339,393	5,497,420	6,864,723	2,384,805	2,083,120	13,175,986	15,626,300	Free.
Paper.....										United States reserves right to impose duty not to exceed 25c. square on red cedar shingles in excess of 30% United States consumption. Free if staves.
Book paper and newsprint, side runs and side rolls.....	Cwt.	45,277	40,879	170,353	220,374	45,200	43,091	179,243	238,204	1c. per lb. and 10% ad val.
Hanging paper, not printed (a).....										74% ad val.
Newsprint paper.....	Cwt.	3,639,740	3,561,284	25,387,049	26,600,268	8,133,637	7,907,165	52,319,332	58,386,707	Free.
Pulpboard for wallboard (a).....	Cwt.		14,963		137,289		25,903		245,000	10% ad val. if pulboard in rolls, not processed; \$14.50 per ton (2,000 lbs.) but not less than 15% or more than 30% ad val. if pulboard in rolls, processed.

(a) From January 1, 1939.

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EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE, (MONTH OF AUGUST 1938 AND 1939, AND THE EIGHT MONTHS
ENDED AUGUST, 1938 AND 1939)—Concluded

Commodities	Quantities				Value				United States Tariff	
	Month of August		Eight months ended August		Month of August		Eight months ended August		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1938	1939	1938	1939	1938	1939	1938	1939		
IRON AND ITS PRODUCTS										
Castings of iron and steel, n.o.p.....	52	78	1,289	989	545	532	8,005	5,799	20% ad val. if of iron....	10% ad val. if of iron
Farm implements and machines and parts (except "Garden and farm tools" and "Spades and shovels and parts").....	675	735	4,166	4,695	120,950 14,659	117,125 20,392	2,148,234 101,970	1,472,160 122,260	Free..... 2c. per lb. on silicon content.	Free. 1c. per lb. on silicon content when containing 8% but less than 30% of silicon. 75c. per ton (2,240 lbs.).
Ferro-silicon.....										
Spiegeleisen (a) (see "Ferro-manganese and other ferro-alloys, n.o.p.").....		2,423		20,300		76,420		608,747	75c. per ton (2,240 lbs.).	
Ferro-manganese and other ferro-alloys, n.o.p. (included "Spiegeleisen" prior to January 1, 1939).....	678	70	5,786	228	18,711	2,058	205,784	9,096	14c. per lb. on manganese content; if ferro-manganese; 24c. per lb. on chromium content when containing not less than 3% of 14c. per lb. on chromium content when containing not less than 3% of carbon; if ferro-chrome. (Reduced to 14c. per lb., Swedish Agreement, Aug. 5, 1935).	1c. per lb. on manganese content when containing not less than 4% of carbon; if ferro-manganese; 14c. per lb. on chromium content when containing not less than 3% of carbon; if ferro-chrome.
Skates.....	27,589	56,824	118,980	252,531	32,448	41,311	83,378	186,552	20% ad val.....	15% ad val.
NON-FERROUS METALS AND PRODUCTS										
Aluminum in bars, blocks, ingots, sheets, etc.....	6,233		10,691	39,084	94,012		164,447	535,170	4c. per lb., if crude.....	3c. per lb., if crude.
Aluminum scrap.....	1,388	3,053	3,506	7,942	9,298	20,014	12,851	70,097	4c. per lb..... 10 15c. per lb.....	3c. per lb. 7 14c. per lb.
Cadmium (a).....								24,778	Free.....	Free.
Cobalt, contained in ore.....	252	77	399	352	16,422	4,076	21,911	176,819	Free.....	Free.
Cobalt, metallic.....	7,413		37,354	8,426	10,795	7,163	54,952	12,960,065	3c. per lb.....	2 14c. per lb.
Nickel, contained in oxide.....	111	293	1,245	518,184	3,373	7,163	26,093	100,165	Free.....	Free.
Nickel, fine.....	39,896	66,208	242,972	65,581	996,973	1,655,733	6,076,056	14c. per lb. on zinc content.	Free.....	Free.
Selenium and salts of (a).....		7,110				11,215				
Zinc, contained in ore.....										
Zinc spelter.....	3,015	7,200	17,934	74,370	11,750	22,413	69,556	241,156	14c. per lb.....	14c. per lb.
NON-METALLIC MINERALS AND PRODUCTS										
Abrasive, artificial, crude, including carborundum.....	62,800	103,830	713,074	739,379	152,991	298,857	1,993,671	1,865,735	Free.....	Free.
Asbestos, and asbestos sand and waste.....	15,009	20,842	101,504	126,348	417,582	629,250	3,071,706	4,067,972	Free.....	Free.

Basic refractory materials, dead-burned (a).....Ton	538,466	267,493	3,731,229	152	47,540	25,413	356,194	3,650	30% ad val.	20% ad val., if containing 15% or more of lime.
	1,126	505	3,070	3,758	7,543	2,967	20,173	270,180	Free.	Free.
								24,146	50c. per ton (2,240 lbs.).	55c. per ton (2,240 lbs.).
									if crude;	if crude;
									30% ad val., if ground.	15% ad val., if ground.
									Free.	Free.
									539,848	2c. per 100 lbs., if lime-
									24,300	5c. per 100 lbs., if lime-
									stone crude;	stone crude;
									12c. per 100 lbs., if hy-	12c. per 100 lbs., if hy-
Lime, n.o.p. (a).....Cwt.		2,144		61,378		875		23,115	10c. per 100 lbs., if other.	5c. per 100 lbs., if other.
									Same rates as above.	Same rates as above.
									Free, if crude;	Free, if crude;
									30% ad val., if ground.	15% ad val., if ground.
									Free.	Free.
									110,602	Free.
									27,725	Free.
									41,602	17½% ad val., if valued
									35% ad val.	not more than \$14 ton.
Acetic acid.....Cwt.	9,109	1,399	34,319	4,606	48,756	5,452	183,075	20,057	1½c. per lb., if not over 65%;	1c. per lb., if not over 65%;
									2c. per lb., if over 65%.	1c. per lb., if over 65%.
									143,221	20% ad val.
									2,055	33½% ad val.
									Free.	Free.
									1,358,360	Free, if sodium cyanide.
									123,544	6c. per lb. and 30% ad val.
Acetylene black (a).....Lb.		202,800		1,360,760		21,386				7½% ad val.
Junk, except metallic and rubber.....Cwt.	3,274	2,224	13,641	14,367	6,258	4,752	45,310	47,515	10% ad val.	7½% ad val.

(a) From January 1, 1939.

BRITISH HONDURAS IN 1938

F. W. FRASER, CANADIAN TRADE COMMISSIONER

(Import values in this report are on a c.i.f. basis and export values are f.o.b.; British Honduras currency is based on the United States dollar)

Kingston, Jamaica, August 12, 1939.—Economic conditions in British Honduras further improved in 1938 as compared with previous years. Foreign trade reached the highest figure recorded since 1931. The volume of shipping tonnage entered and cleared from the colony was the highest since 1932; public revenues increased, as also public expenditure; the colony, however, is still unable to balance its budget, and in 1938 was in receipt of grants from the Colonial Development Fund totalling \$482,503, part of which was used for development projects. Further improvement of public highways was carried out, and it is now possible to reach most outlying populated districts by road.

FOREIGN TRADE

For the seventh consecutive year the foreign trade of British Honduras showed an increase in 1938, the total value recorded being \$7,267,475 as compared with \$6,583,849 in 1937, \$5,686,648 in 1936, and \$4,375,838 in 1935. The total of imports rose from \$3,981,249 in 1937 to \$4,004,091 in 1938; the value of domestic exports increased from \$1,422,620 to \$1,816,274 and re-exports from \$1,179,980 to \$1,447,110. The following table shows the values of imports during the past three years from principal countries of supply:—

	1938	1937	1936
United States	\$1,232,608	\$1,236,603	\$ 950,397
Mexico*	984,909	900,176	734,273
United Kingdom	763,168†	873,159	872,252
Canada	322,677	325,993	268,679
Other Empire countries	184,042	175,295	124,457
All other countries	516,687	470,023	322,775
Total	\$4,004,091	\$3,981,249	\$3,272,833

* Imports from Mexico consist chiefly of mahogany lumber and chicle, which are re-exported.

† Including \$106,678 for government account.

It will be noted that the United States is by far the largest single supplier of goods to British Honduras, supplying in 1938 (leaving Mexico out of consideration) over 40 per cent of the total imports. Purchases from the United States comprise a wide range of commodities, including many items which might be supplied from Canada.

British Honduras extends to Canada a substantial tariff preference. In few cases is it less than 50 per cent and in some cases more, the basic tariff being 25 per cent general and 12½ per cent preferential. The Canadian National Steamships provide a regular service from Montreal during the summer and from Halifax in the winter to Kingston, Jamaica, where goods may be transhipped on one of their own boats to British Honduras. Admitting the disadvantage of transshipment, it is felt that the preference accorded should be sufficient to divert a much larger share of this colony's imports to Canada than now obtains. Canada has taken advantage of the preference to increase her trade in a number of items, notably boots, shoes and slippers, motor cars and trucks, canned fish, hardware, hosiery, pickled pork, barrelled beef, bacon and hams, medicines and drugs, and nails.

OTHER ITEMS OF INTEREST TO CANADA

Other items in which Canada should reasonably expect to increase her sales in this colony are given below. The preference accorded Canadian products

under the tariff are shown within parentheses after each item, and the values of imports are for 1938:—

Flour (50 cents per bag of 196 lbs.).—Total imports, 42,181 bags (\$193,075): United States, \$63,520; United Kingdom, \$61,628; Canada, \$60,363; and Australia, \$7,564.

Canned and Bottled Fruits (15 per cent).—Total imports, \$3,927: United States, \$2,662; United Kingdom, \$625; and Canada, \$291.

Salt, Fine or Rock (20 cents per 100 lbs.).—Total imports, \$5,190: United States, \$4,700; and United Kingdom, \$490.

Potatoes (50 cents per 100 lbs.).—Total imports, \$7,656: Holland, \$3,032; Canada, \$2,384; and United States, \$2,076.

Onions (50 cents per 100 lbs.).—Total imports, \$10,599: Egypt, \$4,146; United States, \$3,284; Cyprus, \$2,297; Holland, \$619; and Canada, \$253.

Vegetables, Preserved or in Tins (10 per cent).—Total imports, \$8,275: United States, \$6,000; Canada, \$1,023; Belgium, \$399; and United Kingdom, \$374.

Lumber, Dressed and Undressed (\$2 per 1,000 ft.).—Total imports, \$59,507: United States, \$58,722; and Canada, \$418.

Neckties and Collars (50 cents per dozen).—Total imports, \$2,440: United States, \$1,001; United Kingdom, \$605; and Canada, \$419.

Shirts, Vests, Singlets, and Other Articles of Men's Underwear (\$2 per dozen).—Total imports, \$43,901: Hongkong, \$23,911; United States, \$7,295; Japan, \$5,131; Jamaica, \$3,410; Canada, \$2,733; and United Kingdom, \$1,265.

Apparel, Other Kinds (20% per cent).—Total imports, \$41,100: United States, \$22,416; Japan, \$6,160; United Kingdom, \$5,189; Hongkong, \$3,189; and Canada, \$2,134.

PRODUCTION AND EXPORT

The mainstay of the country's economy lies in its forest produce, which in 1938 accounted for 75·7 per cent of total domestic exports, somewhat less than the previous fourteen years' average of 80·5 per cent. The decline in percentage was not due to a reduced output of forest products, which, in fact, increased, but rather to the development which has taken place in agricultural production, chiefly bananas and citrus.

The following table shows the direction of the colony's domestic export trade during the past three years:—

	1938	1937	1936
United States	\$1,280,837	\$ 958,514	\$ 861,834
United Kingdom	408,115	413,696	404,484
Canada	111,066	32,680	47,840
All other countries	16,256	17,730	29,445
Total	\$1,816,274	\$1,422,620	\$1,343,605

Re-exports play an important part in the colony's trade and continue to increase yearly. The principal items included in this trade are mahogany logs and chicle reshipped to the United States and certain manufactured articles reconsigned to Mexico.

The value of re-exports during the past three years was: 1938, \$1,447,110; 1937, \$1,179,980; 1936, \$1,070,248.

The principal items of domestic produce exported from British Honduras during the year were as follows:—

Bananas.—Total exports, 776,172 bunches (\$282,890), entirely to the United States. This represented a considerable decline in comparison with the previous year when a total of 938,985 bunches were shipped. The decline is attributed to the prevalence of Panama disease in certain areas, and to the spread of leaf spot disease (*cercospora*).

Grapefruit.—Total exports, 40,321 cwts. (\$84,447), of which 28,765 cwts. (\$60,245) went to the United Kingdom and 10,857 cwts. (\$22,795) to Canada.

Grapefruit Juice.—Total exports, \$3,770, of which \$1,950 went to Canada and \$1,720 to the United Kingdom.

Preserved Fruits.—Total exports, \$4,960: Canada, \$2,880; the United Kingdom, \$2,160.

Cohune Nut Charcoal.—Total exports, \$5,625, to the United Kingdom.

Chicle Gum.—Total exports, \$289,591: United States, \$157,037; Canada, \$82,666; and United Kingdom, \$49,888.

Hides and Skins (Alligator).—Total exports, \$5,564, to the United States.

Coconuts.—Total exports, \$49,803: United States, \$49,367; and Canada, \$436.

Mahogany Logs.—Total exports (domestic), 814,219 cu. ft. (\$777,177), of which the United States took 800,614 cu. ft. (\$749,615) and the United Kingdom the small balance.

Mahogany Lumber.—Total domestic exports, 228,060 cu. ft. (\$264,194), of which 227,149 cu. ft. (\$262,472) went to the United Kingdom, 510 cu. ft. (\$1,261) to Bermuda, 288 cu. ft. (\$242) to Jamaica, and 113 cu. ft. (\$219) to Canada. A few small shipments have also been made to Canada this year (1939) and this business promises to develop.

In addition to the exports of mahogany, small shipments were also made of cedar logs and lumber, logwood, rosewood, and pine lumber.

Small shipments were also made of oranges (\$1,284), fresh lobsters (\$1,436), shark skins (\$850), copra (\$8,048), sponges (\$1,768), and tortoiseshell (\$2,919).

INDUSTRIAL PRODUCTION

There is little in the way of manufacturing in British Honduras; as indicated in previous paragraphs, the colony's production is predominantly confined to silviculture and agriculture. The outstanding exceptions are a sugar factory at Corozal, a sawmill for converting mahogany logs into lumber in Belize, and a cassava starch factory, erected last year in the Stann Creek district by Canadian interests. It is expected that this plant will go into production this year. Outside interests are at present negotiating with the Government for the establishment of a lace factory, a similar undertaking having recently been established in Canada by the same interests. Apart from the above the only plants which might be classed as manufacturing are a few aerated water factories.

SUGAR

The sugar factory at Corozal turned out 1,036 tons of sugar in 1938, or an amount roughly equivalent to the colony's domestic requirements. Small quantities were exported to the United Kingdom. The importation of sugar is restricted and may only be carried on under licence issued by the Sugar Control Board. At present, licences are confined to permit importation of loaf sugar and refined sugar for use in aerated water manufacturing.

TRADE OF HONGKONG, JANUARY TO JUNE

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

(All values are in Hongkong dollars; HK\$1 equals 29 cents Canadian)

Hongkong, August 9, 1939.—Statistics covering the trade of Hongkong for the first six months of 1939 show that the combined declared values of imports and exports of merchandise totalled \$571,000,000 as compared with \$612,100,000 in the first half of 1938 and \$505,300,000 in the first half of 1937. The total visible trade of the colony decreased by 6·7 per cent in the first half of 1939 as compared with the corresponding period of 1938, and increased by 13 per cent as compared with the first half of 1937.

Imports were valued at \$301,000,000 as against \$342,200,000 for the corresponding period of 1938 and \$286,400,000 in the first half of 1937, a decrease of 12 per cent and an increase of 5·1 per cent respectively. Exports amounted in value to \$270,000,000 as against \$269,900,000 for the corresponding period of 1938 and \$218,900,000 in the first half of 1937, representing increases of 0·04 and 23·3 per cent respectively.

The unsettled conditions prevailing in South China have continued to be the dominant factor in the trade of Hongkong for the first six months of 1939. It is apparent from local observation that the true trade of the colony is being

impaired, and that the bulk of the trade indicated by the official statistics represents the abnormal transit trade which has resulted from the current hostilities.

Despite the development of new routes of transportation into the territory under the control of the Chinese Government, Hongkong still remains the principal transshipment point, owing to its free port status, and as a result the benefits of the shipping, banking, insurance, and warehousing continue to accrue to the colony.

General import and export business, which has been the mainstay of Hongkong's importance in the past, has decreased to a point where activity has been restricted to goods for sale within the colony, and, in the case of exports, to locally manufactured products.

Under these circumstances, and for so long as the sphere of Japanese influence continues to exist in the nearby provinces of South China, the outlook for the trade of Hongkong must remain gloomy, with the possibility of further serious declines in volume of bona fide imports and exports.

IMPORTS AND EXPORTS BY COUNTRIES

Increases in values were recorded during the period under review in the shares of sixteen of the thirty-nine countries contributing to the import trade of Hongkong. In the case of exports, increases were credited to twenty-eight of the forty purchasing countries.

The following table gives the total value of imports and exports by principal countries for the first six months of 1939 and 1938:—

Imports and Exports by Principal Countries

	Imports		Exports	
	January-June, 1939	1938	January-June 1939	1938
	Thousands of Hongkong Dollars			
United Kingdom	23,352	26,699	10,209	9,505
Australia	3,415	8,794	1,623	1,347
Burma	920	4,997	3,383	1,543
Canada	2,849	4,074	1,283	1,220
India	4,941	7,161	3,783	2,365
British Malaya	7,181	4,184	18,689	18,218
British North Borneo	1,418	1,190	773	727
South Africa	772	2,024	1,252	783
British West Indies	2	1	2,379	1,302
Belgium	4,422	3,056	746	789
North China	71,297	52,482	28,536	37,356
Middle China	11,063	6,271	19,688	17,657
South China	25,060	60,924	11,622	85,682
France	1,463	1,980	4,009	4,332
Indo-China	21,280	20,570	31,444	9,758
Germany	8,659	23,206	9,451	7,510
Holland	2,322	3,046	3,331	3,397
Japan	14,633	11,012	2,420	1,682
Kwong Chow Wan	10,535	3,400	16,401	4,459
Macao	14,657	5,347	21,857	11,848
Netherlands East India	18,409	21,707	5,747	6,396
Philippines	1,153	1,225	5,743	4,652
Thailand (Siam)	15,016	27,678	7,101	7,323
United States	26,984	33,860	32,071	24,457

As regards imports from the twelve principal countries participating in the import trade of Hongkong, those from Netherlands India, United Kingdom, United States, Thailand, Germany, India, and Australia showed decreases. The following were the shares credited to each of the chief countries of supply for the January-June period of 1939, comparative percentages for the corresponding period of 1938 being shown within parentheses: China, 35.7 (35); Japan, 4.9 (3.2); Netherlands India, 6.1 (6.3); United Kingdom, 7.7 (7.8); United States, 9 (9.9); Indo-China, 7.1 (6); Thailand, 5 (8.1); Germany, 2.9 (6.8); British Malaya, 2.4 (1.2); India, 1.6 (2.1); Australia, 1.1 (2.6); Belgium, 1.5 (0.9); Canada, 0.05 (1.5).

The following are the percentage shares of the export trade of Hongkong credited to the chief purchasing countries during the first half of 1939, comparative percentages for the corresponding period of 1938 being shown within parentheses: China, 22.2 (52.1); British Malaya, 6.9 (6.8); Indo-China, 11.6 (3.6); United Kingdom, 3.8 (3.5); Japan, 0.9 (0.6); Macao, 8.1 (4.4); Thailand, 2.6 (2.7); United States, 11.9 (9.1); Kwong Chow Wan, 6.1 (1.7); Netherlands India, 2.1 (2.4); Philippines, 2.1 (1.7); India, 1.4 (0.9).

IMPORTS AND EXPORTS BY MAIN GROUPS

Increases in the value of imports occurred under five of the twenty-three main group headings, while ten of the twenty-three export group headings showed increased values. The total values of each of the twenty-three main groups of imports and exports for the first six months of 1939 and 1938 are shown in the following table:—

Imports and Exports by Main Groups

	Imports		Exports	
	January-June, 1939	1938	January-June 1939	1938
	Thousands of Hongkong Dollars			
Animals, live	6,899	4,761	165	40
Building materials	4,111	4,586	1,482	2,751
Chemicals and drugs	3,938	4,983	3,996	4,526
Chinese medicines	14,540	10,253	10,592	7,727
Dyeing materials	4,899	10,376	5,046	5,857
Foodstuffs	68,784	88,107	60,271	68,547
Fuels	7,506	9,843	342	684
Hardware	2,619	3,425	2,491	1,637
Liquors	2,484	2,753	733	769
Machinery and engines	7,562	6,766	3,890	2,407
Manures	6,455	5,792	6,042	7,447
Metals	19,408	28,011	20,987	21,959
Minerals and ores	3,931	4,127	12,013	7,803
Nuts and seeds	6,111	9,828	3,432	7,362
Oils and fats	41,802	43,399	34,391	40,746
Paints	1,131	1,229	1,066	905
Paper and paperware	5,830	7,275	3,867	6,228
Piece-goods	41,227	41,517	29,664	30,241
Railway materials	72	126	75	239
Tobacco	6,011	5,211	6,217	5,632
Vehicles	7,068	8,665	13,230	3,265
Wearing apparel	2,162	2,263	12,509	9,806
Sundries	36,427	38,910	37,490	33,296

IMPORTS FROM CANADA

Imports of Canadian origin during the first six months of 1939 showed a decrease in value of approximately 30 per cent as compared with the first half of 1938, the respective figures being \$2,849,413 and \$4,074,000. Canada supplied 0.05 per cent of total imports in the period as against 1.5 per cent for the first six months of the preceding year.

The principal items imported from Canada, together with their values, were as follows:—

Wheat flour, \$652,142; rubber tires (motor outer), \$526,025; motor cars, \$401,581; American pine, \$232,001; pig lead, \$170,984; motor lorries, chassis only, \$151,283; potatoes, \$55,683; rubber tires (motor inner), \$55,144; fodder, \$52,626; ginseng, \$47,416; manures (sulphate of ammonia), \$40,000; evaporated milk, \$36,704; cattle, \$32,709; brass sheets, \$25,489; sulphur, \$25,451; spirits (brandy, gin, rum, and whisky), \$22,070; metal, n.o.p., \$20,700; radio and wireless apparatus, \$20,038; dried milk, \$18,611; miscellaneous foodstuffs, \$17,877; cuttle fish, \$17,079; fruits, all kinds, \$15,163; fish and fishery products n.o.p., \$13,729; vegetables (tinned and bottled), \$13,645; paints, n.o.p., \$13,522; tube fittings, \$13,507; wearing apparel, \$11,191; electrical accessories, n.o.p., \$10,644; upper leather, \$9,641; printing paper, \$9,357; vermicelli, \$9,066; fresh fish, all kinds, \$8,603; paperware, \$7,955; meat and fish (tinned and potted), \$7,875; cinematograph apparatus, \$6,950; shooks and staves for cask making, \$6,939; hardware, \$6,156; motor lorries, \$5,600; building materials, \$5,570; nickel, \$4,410; chemicals and drugs, \$4,109; biscuits, \$2,788; silk goods, \$2,600; confectionery and sweatmeats, \$2,597; artificial silk n.o.p., \$2,532; sole leather, \$2,500; furniture, \$2,382; wrapping paper, \$2,267; haberdashery, \$2,091; paper, n.o.p., \$2,025; instruments and apparatus, \$2,009.

POINTS FOR EXPORTERS TO BELGIUM

YVES LAMONTAGNE, CANADIAN COMMERCIAL ATTACHÉ

II

CUSTOMS TARIFF

The commercial agreements of Belgium are based on the principle of most-favoured-nation treatment and, as a result of the general application of this principle, the rates of duty on imports are the same whatever the origin of the goods. Taken as a whole the rates are moderate, but the incidence of the duty is increased for certain goods which are subject to special or licence fees. Furthermore, there are quotas on a number of products, while for certain other goods import permits must be obtained, although no quota is set.

The rates are generally specific—i.e. levied on weight. Relatively few are ad valorem. Goods such as textiles or metal products are as a general rule, except when stipulations to the contrary are made in the tariff, dutiable according to the material which dominates in weight. Textiles are considered as mixed only when the products contain over 5 per cent of textile materials other than that which constitutes the principal material. On the other hand, manufactures of common metals combined with one another or any other material other than precious metals are dutiable at the rate applicable to the metal or material which dominates in weight. This also applies, for instance, to machinery not specially mentioned in the tariff.

DUTIABLE VALUE

For goods dutiable ad valorem, the value for duty is that which the goods normally possess at the place of origin or production, together with freight, insurance, commission, and all other charges up to the point where the goods are cleared from customs.

DUTIABLE WEIGHT

Apart from the exceptions stated in the tariff, specific duty is levied as follows:—

- (a) On the gross weight, for goods subject to duties not exceeding 10 francs per 100 kilograms (11 cents per 100 pounds), the gross weight being that of the goods together with all containers and packing.
- (b) On the legal net weight for goods with respect to which a legal tare is provided. This weight is obtained by deducting from the gross weight the following tares when no tare is given in the tariff: for kegs and barrels, 15 pounds per 100 pounds of gross weight; for baskets, sacks, canisters, etc., 8 pounds per 100 pounds gross.
- (c) On the real net weight for all other goods. This is obtained by deducting from the gross weight that of all containers and packing.

For merchandise such as metal manufactures, machinery, apparatus, etc., the duty on which varies on a sliding scale according to the weight, the weight for duty is the real net weight.

If several kinds of products are packed in the same case, the weight of the packing is split up proportionally on each of the commodities contained. If certain goods dutiable on gross weight are packed with products taxed otherwise, the duties are levied on gross weight only on the first of these goods and only in proportion to their partial weight.

Containers which constitute immediate packing commonly used to enclose products dutiable by weight and which accompany the goods when sold retail pay the same duty as the contents. When the container has a value independent of the contents, it is liable to duty according to the material of which it is made.

From the above observations in this and the foregoing sections, it will be apparent that particular care must be taken in invoices to supply such details regarding the product and packing as will enable the Customs to readily apply the tariff. Otherwise it is most likely that more duty will be paid than is normally necessary.

QUOTAS AND IMPORT LICENCES

There are a considerable number of products which may be imported only providing the importer has been granted an import permit or licence. Some of these products are subject to quantitative restrictions or quotas. For certain commodities the import licence is subject to a fee, which varies according to the nature of the product. The amount of the fee affords a certain measure of tariff protection and may even exceed the customs duty, as, for example, in the case of unsweetened powdered milk, where the licence fee is seven times the rate under the customs tariff. Wheat at the time of writing, though exempt from duty, is subject to a licence fee of approximately 20 cents per bushel.

As the list of goods subject to import restrictions is modified from time to time, Canadian exporters are advised to consult the Department of Trade and Commerce, Ottawa, before making shipments to Belgium, and when dealing with a new connection in Belgium the exporter should endeavour to ascertain whether or not the importer is in a position to obtain an import licence in the event that it should be required.

The following partial list includes goods of special interest to Canada which are under quota: fresh or frozen fish; wheat flour, other than for making bread (imports of flour for bread making are prohibited); preserved milk and cream (powdered or condensed); corn flakes; oilcake; certain skins and leathers, including patent leather; silk and rayon crepe and other piece-goods; natural and artificial silk knit goods, including hosiery; ready-made clothing for men and women; automobile tires; certain paper and cardboard; storage batteries; automobiles and certain spare parts; rubber boots and shoes.

Among the products which are subject to import permits or licences but are not under quota are wheat, rye, barley, cheese, and certain component parts of automobiles.

The procedure as regards the allotment of quotas may be broadly outlined as follows: The general quota or total quantity of any given commodity to be imported during the current or coming year from all countries is based on total imports of that commodity during a basic period, which may be a year or the average for two or three successive years. For example, if it is intended that yearly imports of any commodity should not exceed the average for the years 1931, 1932, and 1933, the total quota is based on the average yearly imports during that three-year period. This total quota is split up among the various supplying countries on the basis of each country's respective share of the total trade in such commodity during the basic period. The quota for each country is then allotted among the various importers who can establish that they have imported the commodity during the basic period. In some instances a certain latitude is allowed in the application of this principle.

Belgium possesses quota or compensation agreements with certain countries, including France, Germany, Holland, Switzerland, and Poland, and this is one of the reasons for the placing of quantitative restrictions on imports from other countries. These quota agreements are of very short duration and are replaced from time to time by other agreements better adapted to the changing needs of the two parties concerned.

OTHER IMPORT REGULATIONS

MARKING

Only a few products are subject to regulations with respect to marking. The following must bear an indication of country of production: printed matter;

glass plates, films and paper sensitized for photography; household, kitchen, table ware and ornamental articles of copper, tin, nickel or white metal, or of common metals gilded or silver plated; buttons made of corozo, horn, celluloid, hardened casein and the like. Marking is not necessary when shipments are very small; the limits of quantity should be ascertained before shipping, when the goods are not marked.

Seeds.—Packages containing seeds must bear a tag indicating the name and address of the shipper, the exact denomination (kind or variety), and the guaranteed purity expressed in percentage of weight when below certain fixed percentages. In the case of clover and lucerne seeds the name of the country of production is required, and for mixtures of clover seed the composition by quality and quantity.

Feedstuffs.—The importation of any substances containing at least one of the essential nutritive principles (albumin, fat, carbohydrates) for the feeding of animals must be accompanied by a tag indicating the name and address of the manufacturer or shipper and the exact commercial designation of the product, with an indication of the seed, substance, or waste from which it is made. In addition, for the by-products of oil mills and foodstuffs industries the minimum content, in percentage, of albumin and fat must be separately shown. There are also other prescriptions regulating the composition of these products. For fishmeal and shellfish meal the minimum percentage of albumin content, the maximum content of fat, and of sodium chloride (if over 4 per cent) should be stated.

Edible Fats.—The importation of butter, margarine, and prepared edible fats is subject to special regulations.

TAXES IN ADDITION TO CUSTOMS DUTY

Apart from the customs duty proper and licence fees, other taxes are levied on products at the time they are cleared, such as sales tax or luxury tax, excise duty, and statistical tax.

SALES TAX

All sales in Belgium are, in principle, subject to a turnover or transmission tax, the general rate being 2·75 per cent. This tax is payable on imported goods, whether subject to customs duty or not, on the landed cost or c.i.f. value, to which are added the customs duties and excise taxes. Only a few foodstuffs are exempt from the sales tax; these include potatoes, fresh fruits, butter, macaroni, and dry pulse. The rate is 1·10 per cent on ores of iron, zinc, lead, copper, and antimony; slag and ashes of zinc, lead, and copper; mattes of copper and zinc.

The rate is 5·50 per cent on a number of commodities, and on benzol, white spirit, and gasolene it is 10 per cent.

LUXURY TAX

A number of products are subject to the luxury tax, the rate of which is 7·50 or 10 per cent (depending on the commodity) and is levied on the same basis as the sales tax; the latter tax, however, is not collected for goods on which a luxury tax is imposed. Shipments valued at less than 30 francs (about one dollar) are exempt from the luxury tax.

EXCISE TAX

Excise or consumption taxes are levied on the following products: mineral waters, soda lemonade, etc.; spirits and liqueurs; perfumery preparations containing alcohol; manufactures of tobacco; matches and lighters.

STATISTICAL TAX

A statistical tax is collected on imports as follows: live animals, 5 centimes per head; merchandise in barrels, boxes, crates, baskets, bags, jars, or other containers, 5 centimes (0.17 cent) per package; goods in bulk, for lots of over 3 metric tons, 5 centimes per ton or fraction of a ton, with a minimum of 50 centimes, and for lots of 3 metric tons or less, 15 centimes per ton or fraction of a ton.

INVESTIGATING THE MARKET

Canadian firms contemplating entering the Belgian market should advise the Director, Commercial Intelligence Service, Department of Trade and Commerce, Ottawa, who will add their names to the Directory of Canadian Exporters, which is compiled with a view to assisting exporters in their efforts in foreign fields. Preliminary information can also be obtained from the Department in Ottawa regarding the Belgian market as well as such data which may be necessary respecting the Belgian customs tariff, import restrictions and regulations pertaining to the commodity which it is desired to export.

Intending exporters are invited to communicate with the Canadian Commercial Attaché, 60 Rue Ravenstein, Brussels, supplying particulars of the commodities produced or manufactured in Canada for which they wish to ascertain the market possibilities in Belgium. In order to save time, quotations should be given, which will allow of an immediate comparison being made with prices of similar products which are being offered on the Belgian market. Illustrated matter and samples should also be sent whenever possible. The Commercial Attaché will generally be in a position to state immediately whether there is a possibility of doing business or not, and will in any event approach the trade and submit a report. If circumstances are favourable, the Canadian exporter may expect to hear without delay from interested importers or agents.

Belgium is primarily a price market, and the main measure of success in selling is the question of price.

QUOTATIONS

In quoting, the convenience of the prospective buyer or agent should always be considered. There should, therefore, be no hesitation over the point of quoting f.o.b. or c.i.f. The manufacturer who quotes on the former basis without giving any particulars regarding cost of freight and insurance to the port of destination (usually Antwerp in the case of Belgium) gives the impression that he is not conversant with export practice and that he is content to leave his product at his own doorstep. On the other hand, the exporter who quotes c.i.f. delivers his goods to the consignee's front door, which is an obvious advantage. Besides, the importer cannot calculate landed prices from quotations f.o.b. factory or port of shipment, since he cannot obtain the rates of ocean freight without writing to Canada for them, as eastbound and westbound ocean rates are not the same.

It should be stipulated whether or not quotations include a commission for the agent and if there are any discounts.

The minimum quantity for which the quotation applies should be stated, and the incidence of the cost of a minimum bill of lading on small shipments should be taken into account.

When measurements are given, care should be taken to see that they will not give rise to misunderstanding. For instance, when the unit is the hundred-weight, ton, or gallon, it should be clear whether American or British standards are implied.

When prices are in dollars, these may be either Canadian or American, and the possibility of confusion should be avoided.

TERMS

Belgian firms are averse to establishing credits in Canada or New York for the payment of goods, except in the case of perishable products or commodities where this is an established practice in international trade, and it is best to quote cash against documents.

When relations have become well established and the Belgian firm is known to be of good standing, credit should, whenever possible, be granted when requested.

LITERATURE

Descriptive literature, when available, should be forwarded, several copies being supplied to permit of distribution among a number of importers when the market is being investigated.

SAMPLES

Samples are always useful, and when small and inexpensive should be sent in triplicate to facilitate canvassing the trade. They should be forwarded without delay and by the quickest possible route, distance constituting one of the handicaps which Canadian exporters have to consider when dealing with Belgium.

ENTERING THE MARKET

When, after investigation, it has been established that a demand exists for his product, the exporter will have to devote attention to matters such as the establishing of relations with firms in Belgium, and in doing this none of the factors making for mutual trust must be neglected in order to ensure success.

CORRESPONDENCE

Belgian firms are accustomed to courteous phraseology in correspondence, and they are not impressed by what is termed as high-pressure salesmanship. Replies should be prompt and friendly in tone. Delay in replying to letters or cables, or neglecting to do so altogether, may be embarrassing to the Belgian firm concerned. Letters should convey the impression that genuine interest is being taken at all times, even though sales possibilities at first may appear limited.

Correspondence may be carried on in English, but if Belgian firms show a distinct preference for French, this language should be used when possible.

At the beginning Canadian firms may find it useful to supply the Canadian Commercial Attaché with a copy of their letters for follow-up purposes, and the occasion may arise where his immediate intervention may be helpful. When relations have become well established this practice may be dispensed with.

REPRESENTATION

The method of distribution will depend on the nature of the commodity and the volume of business. Experience shows that in the Belgian market the exporter must usually choose between two intermediaries or distributors—the wholesalers or importers on the one hand and the manufacturers' or commission agent on the other. The former buy on their own account; the latter, as their name implies, are agents or brokers who obtain a commission on the orders forwarded by them to the exporter. Some firms both purchase on their own account and do business on commission.

Both types of distributors may be given exclusive rights to cover the whole of Belgium, and both present advantages and drawbacks. Care in the choosing of intermediaries is therefore essential, as they must be active and reliable. In the case of the commission agent honesty and a good knowledge of the market,

as well as good judgment, are more important than the question of his financial means.

Information on the standing of importers may be obtained through the correspondents in Belgium of Canadian banks, while the Canadian Commercial Attaché will also supply status reports on any Belgian business firms upon request.

In some cases the Belgian market is worked through representatives or agents established in Great Britain, France, or Holland, but this should only be done when these firms are known to have their own sales organizations in Belgium; otherwise they do business by appointing a firm in this country as sub-agent. Belgium is a price market and as such it is desirable that not more than one commission should be paid. There is no doubt but that direct representation on the spot is preferable, generally in Brussels or Antwerp.

A simple understanding between exporters and distributors in Belgium is often sufficient, but formal contracts may be drawn up under which various points are made clear, such as the amount of commission on factory price, when payable, discounts, disbursements, cable charges and postage, length of credit, advertising, etc. A provisional period of one year may be fixed for such contracts, after which they may be cancelled or automatically renewed.

CREDIT

It is customary in certain branches of trade to extend credit, and it is essential to success to follow the practices common to European sales methods in this matter. A firm demanding credit is not necessarily in difficulties, but plans payments to the exporter on the basis of the time taken to collect from retailers, who generally expect credit until they have effected their sales.

It should be possible, therefore, to grant to reliable Belgian firms short credit terms, such as 30 or 60 days. The rate of turnover will eventually provide a basic measure of the credit to be extended. Credit must not be allowed to exceed the ability of the buyer to meet obligations as they fall due, and it may be safer in certain cases to place a limit on the value of goods shipped under credit, beyond which no further orders will be accepted until outstanding payments are reduced or fully met.

EXECUTION OF ORDERS

Continuity of effort is essential in export trade, and there must be no delay in effecting shipment of goods ordered. This is particularly desirable in the case of Belgium because of the length of time which must elapse during transport from producer to consignee, apart from allowing for correspondence.

When a foreign buyer accepts c.i.f. terms, the exporter is responsible for ensuring prompt shipment.

The exporter must furthermore be careful to comply to the letter with instructions received regarding packing, marking, etc., and as Belgian firms are exacting and not easily satisfied, exporters may be responsible for documents or shipments not being taken up through lack of attention to certain details. The reasons which may be evoked may include the following: non-compliance with terms of payment requested by the importer; goods not up to sample as regards quality, weight, colour, etc.; delay in delivery of the goods.

Success, it should be repeated, demands that the fullest consideration be given to every angle of the problems presented by the Belgian market.

SHIPPING DOCUMENTS

Documents pertaining to shipments of merchandise should be forwarded promptly, in order that the goods may be cleared as soon as possible after their arrival at the port of destination.

INVOICES

Ordinary commercial invoices may be used, as no special or consular invoices are required for Belgium. Invoices may be drawn up in English or French and should give full particulars regarding the nature and composition of the goods shipped, the gross and net weight, and the value, including freight, insurance, and other charges. The consignee should be able to make out a customs declaration in accordance with the terms of the Belgian tariff.

In the case of certain products which are shipped to Belgium via or from Great Britain, Holland, and France, a certificate of origin is required, and this certificate may be made out in the country from which the goods are last shipped to Belgium. This is due to the clearing agreements which Belgium has entered into with a number of countries.

BILLS OF LADING

It should be noted that a ship's bill or ocean bill of lading, which is issued at the time the vessel is ready to sail, bears the vessel's name, thus giving the consignee, when he receives this document, reasonable assurance that the goods are on the vessel mentioned, the date of arrival of which he can immediately ascertain from the local steamship agent. The "through bill of lading," on the other hand, may often give no indication of the steamship route or name of the vessel, so that when the consignee receives this bill, he may not know, unless advised by other means, what steamer is carrying the goods he is expecting to receive; exporters shipping on through bills should, therefore, ascertain on what date and by what steamer their goods are being shipped in order to inform the consignee.

DRAFTS

When the conditions of payment which are indicated on the instruction sheet which usually accompanies a draft do not conform with those asked for by the importer, delay may ensue in the taking up of the goods by the consignee, and charges for correspondence may also be incurred. Such points as inspection of the goods by the consignee before payment and other conditions of payment must therefore be made clear by the exporter to his bank in Canada, as the correspondent bank in Belgium implicitly follows the instructions received from the Canadian bank.

ADVERTISING

In order to make a product known to the general public in Belgium, as well as by what firm or firms it is being distributed, a certain amount of publicity will be necessary, and all the more so if competitors carry on sales propaganda on a large scale.

The nature and extent of advertising will depend both on the type of commodity and the extent of the demand. The cost of introducing a brand corresponds to the cost of first establishment, and it may be spread over a certain period through increasing the discount to the retailer. The methods used in the Canadian market may serve as a guide to what is to be done in Belgium in this connection.

Exporters should come to an early understanding with their distributors regarding the amount of money to be spent on publicity as well as its form. A special brand or label may be allowed to importers who buy in large quantities. The adoption of a brand involves the producers' responsibility, since the goods must be what they are represented to be and their quality must remain uniform.

Among the various methods of advertising which may be adopted in Belgium are: by local newspapers or periodicals, by display signs in tramways and buses, and by means of lantern slides or films in the leading cinemas.

TRADE FAIRS

Of the various trade fairs which are held in Belgium, the annual International Commercial Fair at Brussels is the most important. This fair takes place in March and lasts a fortnight. Both Belgian and foreign products are on display. Products of the same kind are grouped together as much as possible. The 1938 fair covered a total area of 720,000 square feet in ten halls with 2,750 stands.

Canadian manufacturers who are desirous of exhibiting at the fair are requested to advise the Canadian Commercial Attaché in Brussels, who will assist in reserving space, setting up exhibits, or in other manner.

TRADE-MARKS

Under Royal Decree dated January, 1935, the right to a trade-mark is acquired by its first notable use in Belgium. Recognition is accorded as soon as the mark has become sufficiently known in interested trade circles, but the registration of the mark confers upon it immediately the character of exclusive use. It is only after registration that the owner of the mark can claim its exclusive use and stop infringement, unless it can be proved that he was not the first user.

To register a mark in Belgium application is filed at the record office of the Tribunal of Commerce, such application to be accompanied by an electro and three prints of the mark, a list of goods to be covered by the trade-mark, and, when the applicant is resident abroad, a power of attorney appointing a Belgian representative to act on his behalf.

All marks registered in Belgium are published by the Government. The protection assured is for an unlimited time, and there are no renewal fees payable, provided the use of the mark has not been discontinued over a long period.

CUSTOMS TRAVELLERS' SAMPLES

Treatment by the Customs as samples or models is granted in Belgium to all articles representing a specific product, provided it is possible to identify such articles when re-exported and that their quality or value is not such that they cannot be considered as samples.

The benefit of temporary exemption from duty may be granted to manufacturers or exporters or to their representatives or salesmen even if the latter are established in Belgium. In order that the Customs may be satisfied that such facilities may be granted, a passport or other document must be produced. If the interested party does not accompany the samples or models, the necessary formalities may be carried out by another party, such as a customs broker possessing the necessary papers.

When the collection of samples is fairly large, a complete list in duplicate describing each article, with details from which the duty on each can be established, should be submitted to the Belgian Customs, which issues a six-month permit against a guarantee or deposit covering the duty payable on the goods. A Customs seal is placed on the samples unless they already possess a Customs mark affixed in another country.

If the duties have been paid at the import point, they are refunded at the outgoing Customs port when the identity of the goods has been established. The entire range of samples need not be re-exported, as duty may be refunded only on the goods that are taken out of the country.

As a precautionary measure it may be useful to submit the samples, together with a list, to a Customs office in Canada before they are taken abroad, in order to avoid any complications on their return.

VISITING BELGIUM

Whether it is a case of investigating the market, choosing a representative, or maintaining or developing sales, nothing is more effective than a personal visit to Belgium by the exporter himself or a representative from Canada. Countries are like individuals; they possess their own characteristics and peculiarities. The personal touch is most useful.

The advantages of a visit are obvious; the customs and requirements of the country and the character of the competition may be studied, complaints from distributors may be investigated, methods and products may be adapted to suit local needs, and mutual confidence and understanding between principals and their representatives or connections may thereby be promoted.

Belgium offers the advantage of being readily reached from Great Britain, and nearby markets such as Holland and France are also within easy reach of Belgium.

There are two main routes from London, one by day and one by night. The first is via the Dover-Ostend ocean crossing to Brussels and involves five hours by rail and three hours by sea at a cost of approximately \$11 for the single fare, by second-class rail and first-class boat. The second route is via Harwich, 69 miles east of London, to the port of Antwerp, at about the same cost.

Antwerp and Brussels are linked by numerous electric train services, the trip taking 35 minutes and costing \$1.56 return, second class.

Paris may be reached from Brussels by train in a little over three hours, the fare being \$6.10 second class. From Brussels to Rotterdam the fastest railway journey is 2¼ hours, the second-class fare being \$2.80.

The fares given above may vary slightly from time to time; there are winter and summer schedules and rates as well as special week-end fares. Travelling first class is not essential but is preferable for the ocean trips. Travellers whose time is limited may also travel by air, there being daily services between Brussels and London, Paris, and Rotterdam.

It is preferable for intending visitors to Belgium on business to advise the Canadian Commercial Attaché in Brussels of the date of their arrival, the duration of their stay, as well as the purpose of their visit, in order that every assistance may be afforded so as to make their visit as profitable as possible.

CHILEAN FOREIGN TRADE IN 1938

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(Values are in Chilean pesos of 6d. gold)

Lima, August 15, 1939.—Preliminary returns recently made available regarding the trade of Chile during the calendar year 1938 indicate that exports declined when compared with those of 1937 by some 28 per cent in value and 10 per cent in volume. On the other hand, imports increased by 13 per cent in value over those of 1937. Total imports in 1938 were valued at 502,000,000 pesos as compared with 428,800,000 pesos in 1937. The increase in quantity amounted to only 4 per cent. Exports were valued at 682,200,000 pesos in 1938 as compared with 947,600,000 pesos in 1937.

Generally speaking, the market values of Chile's export products declined in a much greater degree than the values of those imported. It should be borne in mind that exports of copper and nitrates constitute 80 per cent of the total Chilean export values and the fluctuations in prices that have occurred in the case of these two commodities during the year exercised a decided influence on the entire foreign trade. An indication of this is that in 1938 the annual average price of copper in bars exported by Chile was some 26 per cent lower than that obtained in 1937. A further indication of the trend can be noted

by comparison with previous years in that in 1934 total importations were valued at only 213,000,000 pesos as compared with 502,000,000 pesos in 1938, an increase of some 135 per cent.

IMPORTED COMMODITIES SHOWING INCREASES

The group of imported commodities that showed the greatest percentage of increase in this period was "materials and articles for transport," the value in 1938 being ten times greater than in 1934. This increase is largely accounted for by purchases of aeroplanes for the Chilean Government and certain merchant ships for the Chilean merchant marine. Another group showing a heavy increase was "dairy and live-stock products," the value for which was five times that for 1934 and is accounted for by larger purchases of sheep and cattle from Argentina.

In the manufacturing groups the increases are largely apparent in "articles and instruments for the sciences," in which the importation of radio apparatus, formerly included in another group, has a decided influence. Two other items under this same heading which showed considerable increases are motion picture films and typewriting machines. The group "machinery equipment and tools for industry" showed an increase of 160 per cent in comparison with 1934, and practically all items under this heading showed relative increases.

Exports of agricultural products have risen some 50 per cent between 1934 and 1938, shipments of legumes and fruits sharply increasing while cereals have fallen. Similarly, in the alimentary industries, an improvement of some 40 per cent is noted.

NOTES ON THE PRINCIPAL IMPORTS

MINERAL PRODUCTS

Imports of mineral products fell in 1938, both in quantity and value, especially purchases from Venezuela, Germany, Belgium, and the United Kingdom. On the other hand, imports from Curacao and Mexico increased. Average values were slightly greater than those in 1937.

PRODUCTS OF FORESTS AND STREAMS

Imports under this general heading declined by more than 25 per cent in value and 21 per cent in weight, purchases from Canada having disappeared and those from the United States, the United Kingdom, and Java being reduced. Imports from Indo-China and Sumatra improved in value, although there was a general fall in prices.

PRODUCTS OF THE ANIMAL KINGDOM

Imports of products under this heading rose by some 11 per cent over the value for 1937, while the volume increased by 22 per cent. Purchases from Argentina, the United States, Germany, the Netherlands, and France were increased, while drastic reductions occurred in arrivals from the Falkland Islands.

AGRICULTURAL PRODUCTS

There was a reduction also in this group in value and an increase in volume. Increases are noted in purchases from Argentina, Ecuador, and Uruguay among South American countries, and from the United States and Egypt. Those from Peru, Holland, India, and Java declined appreciably.

BEVERAGES AND LIQUORS AND TOBACCOS

In the beverages and liquors group the value of imports rose by some 35 per cent and the quantity in a greater proportion, France and Great Britain,

almost the two sole suppliers, improving their positions. In the tobacco group the situation was reversed, average prices rising by some 30 per cent and the imports from Cuba being tripled.

TEXTILES

Ordinarily imports under this heading hold first place, but in 1938 were exceeded by those of materials and articles for transport. The value of this group rose by a little more than 2 per cent, equivalent to 1,400,000 pesos. Imports are preferentially from Great Britain, although values were reduced, followed in turn by Germany, Japan, and the United States. Average prices in these groups fell by 8 per cent.

CHEMICAL PRODUCTS

The value of chemical products as a whole shows an increase practically equal to that of volume, average resulting prices being the same for the two years. The United States, Japan, and Germany were the chief suppliers, but no comparison can be made on a weight basis because of the different types of products imported from the respective countries. Other important suppliers under this heading are Peru, Great Britain, Sweden, France, and Curacao, all of which increased their shipments to Chile as compared with 1937.

METALLURGICAL PRODUCTS

Products derived from the metallurgical industry, contrary to the almost general tendency, showed decreases in both quantities and values, and average prices increased by some 16 per cent. The countries most affected by this restriction of importation were the United States and Great Britain, while the value of imports from France increased appreciably.

MACHINE TOOLS AND EQUIPMENT FOR INDUSTRY

Imports under this heading remained about the same in volume, but average prices increased by about 10 per cent. Germany, Great Britain, Sweden, France, Italy, Belgium, and the United States, in the order named, are credited with the major part of 4,600,000 pesos, which was the total value of these imports.

MATERIALS AND ARTICLES FOR TRANSPORT

Imports under this heading exceed those of all other groups, their total value representing 17 per cent of the entire Chilean import trade. The values indicated are three and a half times greater than those for 1937 and are particularly favourable to Denmark through purchases of ships in that country for the merchant marine, to Great Britain for the same reason, to Germany owing to purchases of rails and aeroplanes, and to the United States owing to greater importations of automobiles, trucks, rails, etc.

MISCELLANEOUS PRODUCTS

Imports under this heading are not so favourable. When values and quantities are compared with those for the same group for 1937, it is found that values paid were some 45 per cent greater. The volume imported was reduced by some 22 per cent, while prices were 11 per cent higher. Of the total paid for these importations, which amounted to 46,500,000 pesos, 19,500,000 went to Germany and 13,300,000 to the United States, representing increases for both countries. In addition, Czecho-Slovakia, the Netherlands, Sweden, Switzerland, and Japan also showed increases as compared with 1937, while

purchases from Canada, Belgium, and the United Kingdom were reduced under this heading.

DISTRIBUTION OF INCREASES

As indicated above, Chilean imports increased by some 73,000,000 pesos. Of this increase, about 18,000,000 is accounted for by purchases of German products, an increase of 16 per cent. The United States obtained 14,000,000 pesos of the increase, or some 11 per cent. Imports from the United Kingdom rose by approximately 14 per cent in value and by more than 90 per cent in tonnage. Those originating from Peru, which is fourth in importance among the suppliers of goods to Chile, reveal a slight loss both in value and tonnage. Denmark, owing to purchases of ships therefrom, is credited with shipments to Chile worth twenty times those for 1937 and thirty times higher in tonnage. Argentina, which is next in importance as a supplier, improved its figure by almost 20 per cent, and other countries of lesser importance, such as Italy, Japan, and Sweden, also increased their quotas of sales.

PRINCIPAL IMPORTS INTO CHILE

Following are the principal imports into Chile of interest to Canada during 1938; values are shown in pesos of 6d. gold for total imports of each commodity and for imports from each of the three most important suppliers:—

Petroleum for Diesel Motors.—Total, 2,867,299: United States, 1,267,193; Peru, 872,696; Mexico, 379,698.

Lumber, Oregon Pine.—Total, 1,420,738: United States, 1,420,738.

Wheat.—Total, 3,874,952: Argentina, 2,565,112; Uruguay, 1,274,176; France, 24,885.

Cotton Thread for Looms.—Total, 10,496,159: United States, 3,895,638; Italy, 2,625,279; United Kingdom, 1,464,648.

Mineral Oils for Industrial Use.—Total, 5,189,400: United States, 4,386,868; Mexico, 472,959; Peru, 99,843.

Gasolene.—Total, 10,796,550: Peru, 5,794,315; Curacao, 2,125,472; United States, 1,812,916.

Paraffin, Solid.—Total, 2,185,249: India, 1,046,420; United Kingdom, 624,016; United States, 506,482.

Pulp, Mechanical or Chemical, for the Manufacture of Paper and Explosives.—Total, 4,618,724; Sweden, 4,412,974; United States, 168,637; Finland, 37,113.

Iron or Steel Bars, Laminated, over 3 Metres in Length.—Total, 10,016,557: Germany, 4,008,334; United States, 3,046,929; France, 1,371,798.

Iron or Steel Sheets, not Tinned or Galvanized.—Total, 4,989,785: United States, 2,473,357; Germany, 1,637,466; Belgium, 613,205.

Wire, Iron, Plain, not Galvanized.—Total, 2,779,049: Germany, 1,556,623; United States, 1,123,761.

Piping and Tubing of Wrought Iron and Parts.—Total, 5,282,243: Germany, 2,877,287; United States, 1,618,193; United Kingdom, 519,331.

Textile Machinery.—Total, 1,948,011: Germany, 1,110,782; United Kingdom, 292,173; Switzerland, 181,695.

Machinery and Apparatus, not Specified.—Total, 12,631,778: Germany, 6,410,352; United States, 3,605,683; United Kingdom, 962,346.

Electric Light Bulbs.—Total, 1,459,539: Germany, 775,054; United States, 508,945; Netherlands, 85,692.

Automobiles.—Total, 11,969,651: United States, 9,580,430; Germany, 1,476,023; Italy, 349,904.

Chassis.—Total, 8,079,968: United States, 6,376,603; Germany, 1,441,791; Sweden, 190,926.

Automobile Tires and Tubes.—Total, 2,762,309: United States, 1,652,928; United Kingdom, 505,201; Canada, 257,048.

Newsprint.—Total, 3,351,123: Germany, 1,128,550; Canada, 1,020,756; Sweden, 825,687.

EXPORTS

The mineral group, which represents 80 per cent of the total export trade of Chile, shows a considerable lowering of prices, amounting to 28 per cent as compared with 1937. Although tonnage was maintained at almost the same level, values fell from 753,000,000 pesos to 533,000,000 pesos. In this item the United States, Germany, France, the United Kingdom, Italy and Sweden, the principal purchasers of copper in bars, reduced the value of their purchases in comparison with those of 1937. Japan and Belgium, although reducing their figures, did so in lesser proportion to the previously mentioned countries. There is also noted a heavy reduction in the value of products of the animal kingdom, exports of which also in terms of tonnage fell in a lesser proportion in consequence of lower prices obtained for these products, and the loss can be estimated at some 23 per cent. The reductions noted principally affected Germany, a heavy purchaser of Chilean wools and hides, purchases being reduced by some 45 per cent. Shipments to the United Kingdom were reduced by 14 per cent, although larger purchases of wool were effected but, in view of lower prices, some 20 per cent less was paid for equivalent quantities. Values received for agricultural products were reduced by 10 per cent despite the fact that the volume exported increased by 7 per cent. Germany has become the chief purchaser, and sales to that country represent 51 per cent of the total, whereas in 1937 they only amounted to 38 per cent. No country increased its purchases (in value) of Chilean agricultural products, and on the contrary some, such as the United States, Great Britain, and Belgium, drastically reduced them.

ALIMENTARY PRODUCTS

Exports under this group are largely made up of fresh and frozen meats, bran, canned goods, malt, etc., and although prices were maintained at about the same level as in 1937, a decline is noted. The principal consumer of Chilean meats is the United Kingdom, which absorbs 99 per cent of the total, and exports to that market were slightly reduced as compared with the previous year. Germany is Chile's leading purchaser of bran and shorts, and here too a reduction is shown of about 20 per cent. A slight decline occurred in exports of beverages and liquors, which go principally to Germany, Belgium, and Switzerland. To sum up, it is noted that in the total trade the values obtained for Chilean exports showed a lower unit price in 1938 of some 27 per cent as compared with the previous year, whereas the prices for Chilean purchases abroad were higher by some 12 per cent.

CONDITIONS IN BRAZIL, JANUARY TO JUNE

L. S. GLASS, CANADIAN TRADE COMMISSIONER

(All values quoted in pounds represent gold pounds)

Rio de Janeiro, August 11, 1939.—Previous reports on the economic conditions of Brazil have stressed the importance of favourable trade balances for the good of Brazil's external economy. Therefore, the fact that the trade balance in the first five months of 1939 failed to attain satisfactory proportions does not improve the outlook as regards Brazil's supply of foreign exchange. In January there was a small favourable balance but in the succeeding three months there were heavy adverse balances. A favourable balance of over \$7,000,000 in May resulted in a favourable balance of \$4,893,000 for the five months. However, that amount was only 28 per cent of the average favourable balances during the first five months of 1935-37. On the other hand, it was a great improvement

over 1938, when the balance for the five months was unfavourable to the extent of \$19,600,000.

EXTERNAL TRADE

Exports for the five months were valued at \$116,000,000. It was the highest value for the period in five years with the exception of 1937, although the increase was comparatively small. There was a reduction in imports, which were valued at \$111,300,000 as against \$132,600,000 in 1938.

Among exports, cotton showed the greatest increase in value, its gain more than offsetting the decrease in value of coffee exports. Cotton exports increased in value from £1,721,000 to £2,602,000 or by £881,000, while coffee exports fell in value by £773,000 from £6,700,000 to £5,927,000. Other increases were registered in the value of oilnuts, timber, fruit, and preserved meats. Export tonnage increased by 18 per cent, while values rose by only 12 per cent.

Twenty-five of the thirty-nine import categories decreased in value during the first five months. Among the most important of these decreases was that of wheat. Imports of wheat amounted to 433,000 tons as against 453,000 tons in 1938, while the value decreased from £2,000,000 to £992,000 or to less than one-half. Wheat flour imports likewise showed a marked falling-off in quantity from 17,000 tons in 1938 to 12,000 tons in 1939 and in value from £109,000 to £44,000. There were a few minor increases in the importation of such commodities as aniline dyes, copper, wool, yeast, hides and skins, pure silk, codfish, fruit, cotton textiles, automobiles, iron and steel, and tires. Tonnage of imports decreased by a little over 13 per cent, while values decreased by nearly 12 per cent.

EXCHANGE

On April 8 control of exchange for the payment of imported goods was ended. It is too early to determine what effect this step is going to have on the import of merchandise. Under the controlled exchange many foreign exporters were reluctant to accept the risk of shipping to Brazil and that probably had the effect of restraining imports to some extent. Under free exchange there will be a tendency for the value of the milreis to fall. Depreciation of the milreis will directly increase the cost of imported goods in terms of the milreis and will, therefore, have an adverse effect on the import of merchandise. The average rate of exchange on New York for the first three months of the year was 17·790 milreis to the dollar. In April, immediately after the freeing of exchange, rates broke to 18·562 milreis. In May there was a further fall to 18·950 milreis at the end of the month. In June there were further declines with a slight tendency towards steadiness at the rate of 19·000 milreis to the dollar.

INTERNAL ACTIVITY

Internally business has been fair, although complaints have been heard from certain of the states over the imposition of heavy local taxes on businesses. The Federal Government have embarked this year on a five-year plan for the development and rehabilitation of national defence and for public works. During the period it is intended that an estimated 3,000,000 contos of reis or approximately \$150,000,000 shall be spent. As a beginning for this plan the purchase of a large quantity of rolling stock is now under way to replace the worn-out material of the Central do Brasil Railway, which is Government controlled.

OUTLOOK

Brazil's situation in the future, as regards external relations, will depend almost entirely on the continuation of favourable balances such as were enjoyed during the month of May. However, there appears to be little hope of

anything like a normal situation as regards availability of foreign exchange in 1939. The average annual favourable balance of trade for the seven-year period 1931-37 was \$62,938,000. In the first five months of 1939 there was only 8.2 per cent of the average balance of trade. Should the remaining seven months each show a favourable balance equal to that of May, the favourable balance of trade for the year would be brought within 10 per cent of the average. However, to do so would require an average monthly balance 40 per cent greater than the average monthly balance over the 1931-37 period. In view of the continued low prices for Brazilian export items that seems impossible.

One other point to be taken into consideration is the fact that 30 per cent of all exchange obtained through the export of Brazilian commodities is, in the form of official exchange, earmarked for Government use and does not, therefore, enter into the question of the payment for imported goods. It may be reasonable to anticipate, therefore, that as time goes on exchange will become somewhat scarcer and that, unless artificially supported, the milreis value will continue to decrease to the disadvantage of exporters to Brazil.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

DRIED FRUITS CONTROL ORDER

Mr. W. B. Gornall, Canadian Government Fruit Trade Commissioner in London, advises that the following order of September 7 made by the United Kingdom Board of Trade in pursuance of power conferred upon them by the Defence Regulations, 1939, provides for control of dried apples, dried apricots, dried peaches, dried pears, dried plums and prunes, dried nectarines, currants, raisins, sultanas, dates, figs, fig cake, muscatels. The order states:—

1. Every person owning or having power to dispose of or being in possession of any of the dried fruits specified in the schedule to this order (hereinafter referred to as "the said dried fruits") situate in the United Kingdom at the time of the coming into force of this order in any bonded, general or other public warehouse, is hereby required to place all such dried fruits at the disposal of the Board of Trade and in the case of any of the said dried fruits being in any such warehouse as aforesaid other than a bonded warehouse to deliver the same to the Board of Trade or to their order.

2. Every person owning or having power to dispose of or being in possession of any of the said dried fruits which shall arrive in the United Kingdom after the coming into force of this order is hereby required to place the same forthwith on arrival at the disposal of the Board of Trade and to deliver the same to them or to their order.

3. Every person owning or having power to dispose of any of the said dried fruits situate outside the United Kingdom shall comply with such directions as may be given by or on behalf of the Board of Trade for the purpose of securing that the ownership of all such dried fruits or the right to dispose thereof is transferred to the Board of Trade.

4. The foregoing provisions of this order shall not apply to any of the said dried fruits which are either unsuitable for human consumption in the United Kingdom or are not in good merchantable condition.

If any question should arise as to whether any of such dried fruits are unsuitable for human consumption in the United Kingdom or are not in good merchantable condition, the question shall be decided by the Board of Trade, whose decision shall be final and conclusive.

5. No person shall, except under the authority of a licence granted by or under the authority of the Board of Trade, buy or sell or agree or offer or invite an offer to buy or sell any of the said dried fruits situate outside of the United Kingdom if the total gross weight thereof exceeds one hundred pounds and no person shall, except as aforesaid, have any dealings with any other person in any such dried fruits or agree or offer or invite an offer to have any such dealings.

6. Every person to whom Articles 1, 2 or 3 of this order applies shall forthwith furnish to the Board of Trade a return showing the quantity of the said dried fruits to which those articles respectively apply which is in his ownership or possession or of which he has power

to dispose, as the case may be, the address of the premises at which such dried fruits are kept or, if they are afloat, the name of the ship in which they have been shipped and such other particulars as the Board of Trade may require.

Another order of September 7 limits the price at which these dried fruits may be bought or sold to the "current price" of similar goods during "the period of seven days terminating ten days before the date of this order."

IMPORTATION OF PROCESSED MILK

With reference to the announcement in *Commercial Intelligence Journal* No. 1858 (September 9, 1939, page 516, to the effect that the United Kingdom import quotas on processed milks had been taken off on September 1, but that licences to import would still be required, Mr. G. R. Paterson, Acting Animal Products Trade Commissioner in London, cabled on September 14 that the processed milk order of September 1 was revoked and milk is not now under licence, although there may be difficulty in obtaining exchange. The position, the cable states, is under review, and it is hoped to have a report in a fortnight.

Ireland

QUOTA ON SCREWS FOR USE IN WOOD

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that by an order of the Government of Eire dated August 29, 1939, a second quota period, from October 1 to December 31, 1939, has been fixed for screws for use in wood, which have a slotted head and a tapered thread and are made wholly or mainly of iron, steel, copper, brass, bronze, gunmetal, nickel or nickel silver, or a combination of any two or more of those metals, or wholly or mainly of aluminium or of an alloy of which aluminium is the main constituent.

The quota allotted is 55,000 gross. Of this amount, 54,000 gross is allocated to Great Britain and Canada and the remaining 1,000 gross to other countries.

Import quota licences must be secured by the importers from the Department of Industry and Commerce.

Australia

TARIFF AMENDMENTS, SEPTEMBER 9

With reference to the Australian tariff amendments effective September 9, as announced in an article under this heading in *Commercial Intelligence Journal* No. 1858 (September 16, 1939), page 562, the Australian Customs Representative in New York has issued a bulletin from which some further particulars are available.

The new Item No. 122D covers "cotton material of the type ordinarily used in the manufacture of pneumatic tires, viz.: (1) cotton and cord fabric loosely woven (2) cotton cord." The rates are: 5 per cent ad valorem plus 5 per cent ad valorem primage duty under the British preferential tariff; 25 per cent ad valorem plus 5 per cent ad valorem primage duty under the intermediate tariff (applicable to Canada); 25 per cent ad valorem plus 10 per cent ad valorem primage duty under the general tariff. Goods admissible under subparagraph (2) of this item are as described in Departmental By-laws and include "combed Egyptian cotton cord for the manufacture of pneumatic tires." This material was formerly admitted by by-law under Item 404, free of duty under the British preferential tariff (applicable to Canada), and 15 per cent ad valorem plus 4 per cent ad valorem primage duty under the general tariff.

The goods formerly admitted free of duty by by-laws under various items and now transferred to Item 434, at 5 per cent ad valorem under British preferential tariff (applicable to Canada) and 20 per cent ad valorem under general tariff (primage duty 10 per cent ad valorem in each case) include, in addition to those previously published, steel mattress wire, steel wire for pneumatic tires, match splints, white pine blocks for matches, gelatine bottle capsules, tissue paper for interleaving and wrapping purposes, veneers and satin for cutlery and jewel cases, bicarbonate of soda, buttons of bone horn and vegetable ivory nut, toothbrush handles, woven piece-goods for corsets and brassieres.

Piece-goods of velvet and velveteen for cutlery and jewel cases, formerly admissible by by-law under Item 404, free of duty under British preferential tariff (applicable to Canada), and 15 per cent ad valorem plus 4 per cent ad valorem primage duty under general tariff, are now dutiable under Item 105E1 at 10 per cent ad valorem plus 5 per cent ad valorem primage duty under the British preferential tariff (applicable to Canada), 25 per cent ad valorem plus 5 per cent ad valorem primage duty under the intermediate tariff (applicable to "most favoured nations"), and 30 per cent ad valorem plus 10 per cent ad valorem primage duty under the general tariff.

TARIFF AMENDMENTS, SEPTEMBER 15

A further list of amendments to the Australian customs tariff became effective on September 15. The Canadian Trade Commissioner has cabled that 107 tariff items were affected with increases in 14 items under the British preferential tariff, 22 under the intermediate tariff, and 44 under the general tariff. There are reductions of duty under the British preferential tariff in 25 items, under the intermediate tariff in 36 items, and under the general tariff in 29 items.

The following particulars of some of the changes of interest to Canadian exporters are taken from a bulletin issued by the Australian Customs Representative in New York, based on telegraphic information:—

Goods	Former Rates		New Rates	
	British Preferential	General Tariff	British Preferential	General Tariff
Tomato juice in containers less than 1 gallon	15% ad val.	33½% ad val.	1s. 10½d. per gal.	2s. 5½d. per gal.
Tomato juice in containers not less than 1 gallon per gallon	....	....	1s. 1½d.	1s. 6¾d.
Glucose per 112 lb.	10s.	20s.	7s.	17s.
Potato flour per 112 lb.	18s. 8d.	£1 8s.	10s.	18s. 6d.
Canned fish (other than salmon, crustaceans and sardines) per lb.	1d.	2½d.	1d.	3d.
Piece-goods, woollen or containing wool, for manufacture of outer clothing, weighing more than 3 ounces per sq. yd. plus ad val.	1s. 30%	2s. 50%	6d. 20%	1s. 6d. 47½%
Unspecified piece-goods, woollen or containing wool ad val.	35%	55%	25%	50%
Unspecified white towels and towelling ad val.	30%	60%	25%	57½%
Other unspecified towels and towelling plus per lb.	....	....	2½d.	6¾d.
Other unspecified towels and towelling ad val.	30%	60%	22½%	57½%
or per lb.	....	10d.	....	....
plus per lb.	....	....	2½d.	6¾d.
Cotton bathmats ad val.	15%	30%	22½%	57½%
plus per lb.	....	....	2½d.	6¾d.
Water bore casings ad val.	Free	15%	10%	40%
Wire netting per 2,240 lb.	Free	200s.	Free	100s.
Pumps of type for vending petrol and mechanical units for same each	£25	£30	....	....
or, if higher, ad val.	60%	75%	60%	75%
Dies, taps and chasers, screw plates, stocks, tap wrenches ad val.	45%	65%	30%	60%
Leather, rubber, canvas and composition belting, including belting for ore conveyors ad val.	30%	50%	22½%	45%
Lawn-mowers, electrically driven ad val.	30%	50%	22½%	40%
Lawn-mowers, hand operated ad val.	45%	65%	25%	50%
or, if higher, each	....	....	....	11s. 6d.
Lawn-mowers, power-driven, over 2½ h.p. ad val.	20%	37½%	30%	57½%
Other power-driven lawn mowers ad val.	20%	37½%	20%	45%
Electric refrigerator parts, unassembled ad val.	55%	75%	32½%	75%
Electric fans, office and household ad val.	15%	65%	12½%	65%
Coil springs for motor vehicles per lb.	4d.	1s.	3d.	8½d.
or, if higher, ad val.	45%	65%	30%	60%

Under all the foregoing items, the British preferential tariff rates apply to Canadian goods.

The Canadian Trade Commissioner cabled that the Australian Minister of Customs declared a policy of reduction in protective tariffs on certain commodities when Australian industries become well established.

SAMPLES FOR CANADIAN GOVERNMENT TRADE COMMISSIONERS

Mr. J. J. Kennedy, Acting Collector of Customs for New South Wales, Australia, advises that the Australian Comptroller General of Customs has ruled that samples forwarded to the Canadian Trade Commissioner in Australia for retention and display by him with a view to obtaining markets in Australia for Canadian products, will be admitted free of duty under the provisions of tariff item 373A, "articles imported or purchased in bond for official use by Trade Commissioners representing British countries or by Consuls, provided such Trade Commissioners or Consuls are citizens of the country they represent, and are not engaged in any other trade or profession."

Samples forwarded to the Canadian Trade Commissioner in Australia intended for distribution to probable purchasers will be subject to duty under their appropriate tariff classification.

New Zealand

TARIFF DECISIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Conveyor belts woven from round wire not exceeding $\frac{3}{16}$ inch in diameter, or from wire other than round in which the cross-sectional area does not exceed 0.0276 square inch; also wire fabric woven from wire of the same descriptions, are free of duty (but 3 per cent ad valorem primage duty) under the British preferential tariff and dutiable at 10 per cent ad valorem plus 22½ per cent of duty under the general tariff (item 376-1). Conveyor belts, or fabric, containing wire exceeding the above sizes, are dutiable at 20 per cent ad valorem under the British preferential tariff, 30 per cent ad valorem if from Canada or Australia, and 50 per cent ad valorem plus 22½ per cent of the duty under the general tariff (item 356-1-b).

Cork sheets laminated with fabric, for use only in the manufacture of washers, gaskets or engine packing, are free of duty (3 per cent ad valorem primage duty) under the British preferential tariff and subject to 20 per cent ad valorem plus 22½ per cent of the duty under the general tariff (item 448).

Replicas of the human figures or of animals, in miniature, moulded of glass, porcelain, chinaware, or earthenware are dutiable at 20 per cent ad valorem under the British preferential tariff, 20 per cent ad valorem plus 22½ per cent of duty if from Canada, 50 per cent ad valorem plus 22½ per cent of duty under general tariff (item 239). Similar figures composed of wood, bone, stone, or metal are subject to 20 per cent ad valorem under the British preferential tariff, 20 per cent ad valorem plus 22½ per cent of duty if from Canada, 45 per cent ad valorem plus 22½ per cent of duty under the general tariff (item 260).

In all the above items, where a rate to Canada is not stated, the British preferential tariff applies to Canadian goods. In all cases the general tariff rates apply to all non-British countries.

Imports into New Zealand are at present regulated by licences issued by the New Zealand Department of Customs to importers.

Straits Settlements

NEW POISONS ORDINANCE

Mr. K. F. Noble, Assistant Trade Commissioner at Singapore, advises under date August 21 that the date of initiation of the Straits Settlements Poisons Ordinance, controlling the importation, distribution, and sale of drugs and proprietary medicines, previously referred to in *Commercial Intelligence Journal* No. 1851 (July 22, 1939), page 198, has now been advanced from January 1, 1940, to December 1, 1939.

Bolivia

SALES TAX ON IMPORTED GOODS

Mr. S. G. MacDonald, Assistant Trade Commissioner in Lima, writes that under a Bolivian decree-law effective August 1, 1939, a sales tax of 5 per cent ad valorem is levied on imports into Bolivia. Certain products are exempted

from the tax, among them being wheat, wheat flour, condensed, evaporated and powdered milk, sardines, certain pharmaceutical products, newsprint, and machinery and tools imported by mining and railroad companies for the carrying out of their operations.

El Salvador

DOCUMENTATION

Mr. R. T. Young, Canadian Trade Commissioner at Mexico City, writes under date September 4 that the customs authorities of El Salvador adopt the procedure that goods mentioned in commercial and consular invoices should be described, so far as possible, in accordance with the nomenclature of the Salvadorean tariff.

The Trade Commissioner also draws attention to a Salvadorean law which specifies that invoices and bills of lading must be made out in Spanish. Certificates of origin, however, may be written in any language.

Documents required for shipments to El Salvador are: eight copies of the consular invoice, bills of lading in quadruplicate, and commercial invoices in duplicate. On shipments over \$50 in value a certificate of origin is required. These documents must all be legalized by a Salvadorean consul.

Peru

SURCHARGE ON REFRIGERATING APPARATUS

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, writes that a Peruvian decree-law of August 17, 1939, imposes a surcharge of 10 per cent *ad valorem* on the import of domestic refrigerators using a motor up to 1½ horsepower. The surcharge also applies to refrigerators with non-electric mechanisms and to air-conditioning apparatus.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, New Zealand, for equipment required by the Public Works Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 33, Hamilton District: protective relays; Section 26, Christchurch District: overhead travelling crane, to specifications and drawings (tenders close November 21, 1939).

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Jamaica—Exchange Control

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, September 13, 1939.—Among the many war regulations now existing in Jamaica are those providing for the control of exchange.

A Jamaica Defence (Finance) Board has been set up, and it has been enacted that no person in the island, other than an authorized dealer, shall buy

or borrow any gold or foreign currency from, or loan or sell any gold or foreign currency to, any person not being an authorized dealer without the consent of the Board. Authorized dealers are the four banks established in Jamaica and the Postmaster. Exemptions are allowed for purposes of legitimate trade and travel; but otherwise no one may take or send out of the island any bank notes, currency notes, securities, etc., or money orders, gold or foreign currency, or transfer any securities from Jamaica elsewhere; or draw or negotiate any bill of exchange, cheque, draft or promissory note, transfer any security, or acknowledge any debt with the object of acquiring property outside of the island.

It is required that persons resident in Jamaica shall offer through their bankers for sale to the Jamaica Defence (Finance) Board any foreign exchange at their disposal. Foreign exchange to be offered for sale includes such currencies as the Board may designate from time to time, the currencies so far designated being: Canadian and Newfoundland dollars, United States dollars, French francs, belgas, Swiss francs, guilders, Argentine pesos, Swedish crowns and Norwegian crowns. Persons may, however, apply through their bankers for permission to retain gold and foreign exchange required to meet contracts of limited duration made before these regulations came into force, to meet reasonable requirements of trade and business, and for reasonable travelling and other personal expenses. Merchants, hotel-keepers and others may accept the British Empire and foreign currencies named above, in payment for goods sold or services rendered; but in that case, the receivers of such currencies must turn them in to the Jamaica Defence (Finance) Board. In practice, this is done through the four banks operating in the island, these being, in fact, agents of the Board. Persons departing from Jamaica must furnish a return of such currency in their possession to the customs officials. Residents have been warned that all private holdings of gold coin, or bullion, or of the currencies named, must be turned in to the local banks; the same applies to cheques and drafts denominated in the currencies listed.

In case they wish to send such gold, etc., out of the country, they must obtain authority before exportation can actually be made, and, needless to say, such authority will not be given except for good reasons, as noted. Reasonable foreign exchange requirements of a trade or business carried on in Jamaica will be met as far as possible, but application must be made in every case to the Board and satisfactory evidence of the facts produced. This applies not only to payments for imports, but also to payments for freight, insurance, agents' commissions, royalties, salaries, copyrights, etc. The purpose is, of course, to prevent a flight of capital from the Island and heavy penalties have been provided for breaches of the rules. Regulations have also been issued governing the registration and transfer of securities.

Closely allied with exchange control is the regulation of imports and exports. The importation of flour, rice, cornmeal, wheat and maize is prohibited except under authority of written official licence, and a similar prohibition applies to a large number of items including both domestic produce and imported goods. The domestic products so affected are: live animals, annatto, dried bananas, beeswax, raw cocoa, cocoanuts, cocoanut meal and cake, cocoanut oil, cocoanut shell, copra, coffee, cigars and cigarettes, fresh fish, fustic chips, ginger, hides and skins, honey, horns and bones, kola nuts, logwood extract and chips, fresh meat, peas and beans, pimento, potatoes, rope, sarsaparilla, sisal and all raw vegetable fibres, soap, tobacco.

Wholesale and retail prices of a wide variety of foodstuffs, hardware and dry goods have been fixed by competent authorities appointed by the Governor.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 18, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, September 18, 1939, and for the week ending Monday, September 11, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 11	Nominal Quotations in Montreal Week ending Sept. 18	Official Bank Rate
Belgium	Belga	.1001	\$.1875	\$.1897	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2110	.2137	3½
Finland	Markka	.0252	.0210	.0212	4
France	Franc	.0392	.0249	.0239	2
Great Britain	Pound	4.8666	4.4325	4.43-4.47	4
Greece	Drachma	.0130	.0084	.....	—
Holland	Guilder	.4020	.5813	.5896	2
Hungary	Pengo	.1749	.....	.....	—
Italy	Lira	.0526	.0568	.....	—
Yugoslavia	Dinar	.0176	.....	.....	—
Norway	Krone	.2680	.2479	.2514	3½
Portugal	Escudo	.0442	.0402	.....	—
Roumania	Leu	.0060	.....	.....	—
Spain	Peseta	.1930	.1205	.1121	4
Sweden	Krona	.2680	.2602	.2635	2½
Switzerland	Franc	.1930	.2471	.2512	1½
United States	Dollar	1.0000	1.095	1.1100	1
Mexico	Peso	.4985	.2063	.2060	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0249	.0239	—
Jamaica	Pound	4.8666	4.4425	.....	—
Martinique	Franc	.0392	.0249	.0239	—
Other British West Indies	Dollar	1.0138	.9236	.....	—
Argentina	Peso	.4245	.2601	.....	—
Brazil	Milreis (Paper)	Unofficial	.....	.....	—
		.1196	.0664	.0733	—
British Guiana	Dollar	Unofficial	.0550	.0555	—
Chile	Peso	1.0138	.9236	.....	—
		.1217	.0567	.....	—
		Unofficial	.0440	.....	—
Colombia	Peso	.9733	.6239	.....	—
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.5840	.5560	—
		Unofficial	.4227	.4328	—
South Africa	Pound	4.8666	4.4225	.....	3½
Egypt	Pound (100 Piastres)	4.9431	4.5450	4.3401	—
China (Shanghai)	Dollar	.....	.0710	.0708	—
Hongkong	Dollar	.....	.2756	.2638	—
India	Ruppee	.3650	.3315	.3149	3
Japan	Yen	.4985	.2585	.2585	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4062	.3874	—
Straits Settlements	Dollar	.5678	.5188	.4962	—
Australia	Pound	4.8666	3.5468	.....	3
New Zealand	Pound	4.8666	3.5612	.....	4

The Dominion Bureau of Statistics has supplied the following note:—

Canadian funds showed minor depreciation in terms of most foreign currencies at the close of the week ended September 18. Sterling spot rates were quoted at \$4.43 to \$4.47 on the 18th compared with a low of \$4.1966 on the 14th and \$4.4335 on September 11. French francs on the other hand, were fractionally lower, finishing the week at 2.40 cents as compared with 2.49 cents at the close of the previous week. Belgian belgas advanced 22 points to 18.97 cents between September 11 and 18, while the Netherlands florin moved up over ¼ cent to 58.96 cents in the same interval. On United States funds premiums advanced from 9½ per cent on September 11 to a peak of 11¼ on the 15th but subsequently reacted to 11 per cent by the close of the week. It was announced at Ottawa during the week that a Foreign Exchange Control Board had been set up to regulate and control foreign exchange transactions.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Artificial Silk Waste.....	401	Cape Town, South Africa..	Agency
Artificial Wreaths.....	402	Cape Town, South Africa..	Agency.
Cotton Towels, Cotton Damask, Cotton and Rayon Bungalow Cloths.....	403	Sydney, Australia.....	Agency.
Dress Goods, Buttons, and Trim- mings.....	404	Sydney, Australia.....	Agency
Table Glassware.....	405	Cape Town, South Africa..	Agency.
Crockery (Household and Gift- ware).....	406	Melbourne, Australia.....	Purchase and Agency.
Key Blanks.....	407	Melbourne, Australia.....	Agency.
Wooden Toys.....	408	Melbourne, Australia.....	Purchase and Agency.
Handles (Tool).....	409	Melbourne, Australia.....	Agency.
Power Tools.....	410	Auckland, New Zealand...	Agency.
Lawn-Mowers (Hand, Motor and Gang).....	411	Melbourne, Australia.....	Agency.

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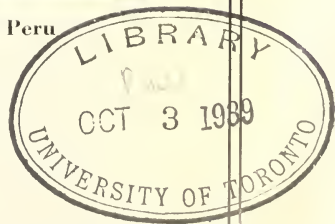
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Ottawa, September 30, 1939

No. 1861



Unloading British Columbia Plywood at Callao, Peru



ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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Vol. LXI

Ottawa, September 30, 1939

No. 1861

POSSIBILITIES FOR INCREASED CANADIAN SALES IN BRAZIL

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, September 14, 1939.—The outbreak of war in Europe has had the effect of cutting off the sources of supply of many of the articles which Brazil has need to import. In some instances a definite shortage is already being felt, and buyers are anxiously seeking new suppliers. Canadian producers in a position to export might well take advantage of the opportunity to cultivate this market.

Import trade is, generally speaking, dislocated and it may be several weeks before it settles down to any semblance of order. In the meantime business is being done on what amounts to an f.o.b. basis. Exporters are quoting c.i.f. prices on the basis of existing freight and insurance rates. If any increase in these rates occurs during the time between the acceptance of the order and the delivery of the merchandise that increase runs for the account of the buyer.

It is useless for exporters to quote against letter of credit. For some time past it has been illegal and also impossible to do business on such a basis and there are only a few importers who have been able to maintain credits abroad in foreign currencies. Therefore the optimum terms available may be considered to be cash against documents.

EXCHANGE

Brazil's position as regards available foreign exchange appears to be somewhat better. The favourable balance of trade for the first six months of the year is nearly three and a half million pounds sterling as compared with a deficit of two and a quarter millions last year. This is not yet up to the average half-year favourable balance of approximately five millions but certainly represents a definite step forward. It would seem to indicate that the exchange risk attending shipments to Brazil has been considerably lessened. A virtual monopoly of exchange has again been assumed by the Bank of Brazil inasmuch as the commercial banks are now obliged to do business in foreign exchange at the official rate of the Bank of Brazil. This action was taken by the Bank of Brazil immediately following the enforced three days' bank holiday declared on the outbreak of war and is a measure destined to prevent speculation and undue fluctuations of the milreis.

CANADIAN PRODUCTS IN POSSIBLE DEMAND

It would be impossible to specify all the products for which there may be a market for Canadian exporters but the following list may give an idea of what the trend may be:—

Raw Materials.—Wood-pulp of all types and qualities; metals, particularly lead, copper, and zinc; materials for paint manufacture, including natural and synthetic colours; industrial chemicals in general and textile chemicals and dye-stuffs; malt and hops; asbestos; coal.

Manufactured Goods.—Newsprint; machinery; machine tools; railway equipment; automotive supplies; rails; wire; papermakers' felts and wires; electric equipment for industry; tubes and pipes; earthenware, sanitary and industrial; agricultural implements and tools.

Foodstuffs.—In so far as Canada is concerned opportunities under this heading will be confined almost entirely to codfish, alcoholic beverages, fruit, possibly milk powder for household use, and seed potatoes.

The extent to which the demand may grow for such products from Canada will depend more or less on prices. Brazil is primarily a price market and should prices increase beyond a certain point consumption will immediately cease or substitutes will be found. This is particularly true in the case of consumer goods such as foodstuffs.

OVERSEAS TRADE OF AUSTRALIA, 1938-39

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(All figures are in British currency unless otherwise stated)

Sydney, August 24, 1939.—Official preliminary statistics relating to the overseas trade of Australia for the fiscal year ending June 30, 1939, have just been issued by the Commonwealth Statistician.

The report discloses that the total value of overseas trade in British currency was £213·8 million (imports £102·2 million and exports £111·6 million) as compared with a total of £239·8 million (imports £114 million and exports £125·8 million) in the year 1937-38. There was a decrease in imports of £11·8 million and in exports of £14·2 million. As has been the case during the past two years, exports of bullion and specie were largely responsible for the maintenance of a favourable total balance of trade.

The following table shows the movements of merchandise and of bullion and specie for the period under review and for the previous twelve months:—

	1937-38 £stg. 1,000	1938-39* £stg. 1,000
Merchandise—		
Exports	112,282	96,407
Imports	111,733	99,388
Commodity balance	549	— 2,981
Bullion and specie—		
Exports	13,556	15,169
Imports	2,242	2,844
Bullion and specie balance	11,314	12,325
Total balance	11,863	9,344

* Preliminary figures.

DISTRIBUTION OF TRADE

The relative standing of principal countries in respect of total overseas trade varied little in 1938-39 from the year 1937-38, but there were considerable variations in imports from leading suppliers and in exports to leading purchasers. During the year Australia traded with approximately 140 countries. Her trade with the United Kingdom was valued at £93·5 million and was approximately 44 per cent of the total trade with all countries. These figures compare with a total of £115·2 million and 48 per cent for 1937-38. Although imports from the United Kingdom declined slightly, the total increase was almost wholly due to a substantial drop in export values.

The only important increase in Australia's overseas trade was with the United States, total trade with that country rising from £26·4 million in 1937-38

to £30.3 million in 1938-39. Imports from the United States declined by £3.1 million, but exports to the United States increased by £7 million, with the result that an unfavourable balance of £9.1 million in 1937-38 was converted to a favourable balance of £1 million in 1938-39.

Canada ranked next from a value standpoint with total trade with Australia of £9.2 million, followed by France with £8.5 million; Netherlands India, £8.1 million; Japan, £8 million; New Zealand, £7.5 million; Germany, £6.1 million; and Belgium, £5.4 million.

The Commonwealth Statistician calls attention to the fact that exports to the following principal countries substantially exceeded the value of imports from those countries in 1938-39: Ceylon, British Malaya, New Zealand, Belgium, China, France, Italy and the Netherlands.

The principal countries whose exports to Australia exceeded their imports therefrom were: Canada, India, Czecho-Slovakia, Germany, Japan, Netherlands India, and Switzerland.

The following table shows the value of Australia's imports and exports, and the excess of exports or imports by principal countries during the fiscal years 1937-38 and 1938-39:—

Imports and Exports by Principal Countries

	1937-38			1938-39*		
	Imports	Exports	Excess of Exports+ or Imports—	Imports	Exports	Excess of Exports+ or Imports—
	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
United Kingdom	46,228	68,962	+22,733	41,167	52,339	+11,172
Canada	8,045	1,796	— 6,248	7,729	1,505	— 6,224
India	3,077	881	— 2,195	2,865	1,434	— 1,430
British Malaya	1,023	1,647	+ 624	882	1,526	+ 643
New Zealand	1,990	5,677	+ 3,686	2,148	5,345	+ 3,196
Belgium	1,140	4,539	+ 3,398	981	4,417	+ 3,436
China	601	492	— 109	462	2,331	+ 1,868
France	964	8,828	+ 7,863	1,028	7,510	+ 6,481
Germany	4,170	3,521	— 649	4,027	2,056	— 1,970
Italy	844	2,111	+ 1,266	685	969	+ 284
Japan	5,349	4,710	— 638	4,690	3,901	— 188
Netherlands	656	632	— 23	702	839	+ 136
Netherlands India . .	7,530	1,161	— 6,368	7,001	1,101	— 5,900
Sweden	1,551	377	— 1,173	947	516	— 430
United States	17,759	8,682	— 9,076	14,685	15,644	+ 958
Other foreign countries	3,221	4,918	+ 1,697	2,604	1,901	— 702

* Preliminary figures.

IMPORTS AND EXPORTS BY CLASSES OF GOODS

The chief recessions in imports occurred in purchases of machinery and metal manufactures, which declined from £37.2 million in 1937-38 to £31.2 million in the year under review, and in purchases of apparel, textiles, and yarns, which fell from £21 million to £17.7 million. There were minor decreases in imports of oils, fats and waxes, rubber and leather products, wood and wicker, earthenware, cements, glass, and paper and stationery.

The latter declines are indicative of Australia's increased production of secondary and fully manufactured goods. The trend in this direction will be more apparent when Australia's present large imports of special machinery, aircraft and accessories, and similar products, required in connection with her rearmament program, are completed.

The major decreases in export items were largely due to lower values in such commodities as wool and wheat.

The following table shows the values of Australia's imports and exports by main classes in 1937-38 and 1938-39:—

Imports and Exports by Main Classes

	Total Imports		Total Exports	
	1937-38	1938-39	1937-38	1938-39
	£stg. 1,000		£A1,000	
Foodstuffs of animal origin	1,565	1,599	25,596	26,594
Foodstuffs of vegetable origin	3,768	3,957	39,174	25,475
Spirituous liquors	727	720	1,184	1,197
Tobacco, etc.	2,011	1,855	280	355
Live animals	193	182	248	216
Animal substances, etc.	2,260	1,941	53,774	47,321
Vegetable substances	3,194	2,607	339	307
Apparel, textiles and yarns	21,016	17,756	785	669
Oils, fats and waxes	9,429	8,692	948	713
Paints and varnishes	590	580	191	178
Stones and minerals	806	900	3,309	2,671
Machinery and metal manufactures	37,280	31,297	9,521	10,058
Rubber and leather	1,915	1,689	842	756
Wood and wicker	2,759	2,080	1,411	1,109
Earthenware, cements, glass, etc.	2,047	1,865	201	219
Paper and stationery	6,609	6,191	375	493
Jewellery and fancy goods	1,581	1,431	214	182
Optical and scientific instruments	1,558	1,600	382	384
Drugs and chemicals	5,304	5,594	808	765
Miscellaneous	7,112	6,840	1,039	1,080
Bullion and specie	2,241	2,844	16,947	18,963
Totals	113,975	102,232	157,580	139,712

TRINIDAD MARKET FOR BEDROOM FURNISHINGS

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Port of Spain, Trinidad, August 30, 1939.—Houses are built in this territory without clothes closets, so that a steady demand exists for wardrobes in addition to the other usual types of bedroom furnishings such as clothes chests and dressing bureaux. This type of furniture is manufactured to a large extent locally because of the high freight costs of the imported product and on account of the preference for local woods, which have termite-resisting properties. The local industry provides a small market for cabinet-makers' materials but it limits the import market for bedroom furnishings to steel bed equipment, springs, coil mattresses, cribs, folding beds, pillows, and mattress ticking.

IMPORTS

Steel Beds.—Imported beds have tubular or panelled frames, the latter type costing about \$8.50 each duty paid Trinidad, although steel beds can be purchased as cheaply as \$4.50 f.o.b. Atlantic ports. They are usually finished in dark wood stains such as mahogany or walnut. At present the most popular make is imported from Canada. Wooden bed-frames are manufactured locally and finished with imported fittings. Their sale, however, is not as extensive as that of imported steel beds.

Bed Springs.—Cable springs sell well and cost about \$7.80 f.o.b. Atlantic ports, while link springs are imported at a cost of about \$3.45 f.o.b. Atlantic ports. Coil springs are imported in limited quantities.

Mattresses.—Stuffed or folding mattresses are manufactured locally from coconut fibre, which is considered to be cooler than other types of mattress filling. This limits imports mainly to spring mattresses. Box-spring mattresses have a very limited sale, but the ordinary spring mattress, costing about \$14.25 f.o.b. Atlantic ports for size 4 feet 6 inches, is the usual type sold. They can be purchased at as low as \$10.50 f.o.b. Atlantic ports.

Cribs.—Baby's enamelled or metal cribs are sold steadily at about \$15 retail and cost about \$11 landed, duty paid. Cheap cribs are obtainable at about \$6.25 f.o.b. Atlantic ports.

Folding Metal Beds.—These can be imported at low prices from Japan; some are imported from Canada.

Mattress Ticking.—Only medium-quality striped cottons and damask are used. They can be imported from Manchester, England, in 56-inch standard width at a cost of from 7d. (14 cents) up to 18d. (36 cents) per yard. The average price is from 9d. (18 cents) to 11d. (22 cents) ex factory Manchester.

Coil Springs for Spring Mattresses.—A moderate number of galvanized knotted springs in 4-inch and 5-inch sizes, 12-inch to 12½-inch gauge wire, are used by a local manufacturer and cost from 4s. 6d. (\$1.08) to 5s. (\$1.20) per gross, f.o.b. United Kingdom ports.

There are no separate customs figures of imports, as the importation of steel beds and steel office equipment are bulked together in the Trinidad customs returns and are included in an even wider group in the Barbados and British Guiana figures. With these reservations the following are the available figures of imports for 1938 and 1937:—

Steel Furniture Imports

	Trinidad		Barbados		British Guiana	
	1938	1937	1938	1937	1938	1937
Total	\$199,780	\$131,291	\$71,126	\$67,376	\$64,169	\$68,861
United Kingdom ..	83,839	48,696	22,036	15,547	34,181	40,945
Canada	66,636	23,086	11,150	8,808	23,012	22,529
United States .. .	45,482	53,365	34,716	36,177	5,954	4,846

CUSTOMS TARIFF

Following are the rates of duty on imports into this territory of steel furniture:—

Trinidad: 10 per cent ad valorem British preferential and 20 per cent ad valorem general, plus a surtax of 15 per cent of the duty.

Barbados: 10 per cent ad valorem British preferential and 20 per cent ad valorem general, plus a surtax of 10 per cent of the duty.

British Guiana: 16½ per cent ad valorem British preferential and 33½ per cent ad valorem general, plus a bill of entry fee of 3 per cent ad valorem.

TRINIDAD MARKET FOR CHOCOLATE CONFECTIONERY

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Port of Spain, Trinidad, August 31, 1939.—Chocolates are sold in Trinidad principally through a few high-class grocery stores to the European population. Sales are moderate throughout the year, but a considerable trade develops during the Christmas season. Several well-known English brands are on the market, and the products of two Canadian firms are stocked by two leading grocers.

Heat and humidity cause chocolates to become mushy or mouldy in this climate unless carefully protected, and even then they must be sold fairly soon after importation.

They are imported in ½-pound, 1-pound, 2-pound, and 3-pound cellophane-wrapped boxes or tins. Four-pound and 5-pound sizes are imported for the Christmas trade. The boxes are shipped usually in waterproof cases.

Canadian chocolates packed in cellophane-wrapped boxes cost about \$4.91 to \$6.63 per dozen 1-pound boxes, duty paid landed Trinidad, and retail at from 72 cents up to \$1 per pound, according to quality.

One brand of English chocolates cost \$1.08 per pound, landed duty paid, and retails at \$1.32 per pound, which is a high price for this market.

Chocolates for bulk sale, individually wrapped in tinfoil paper, are supplied by one firm in England at a cost of \$1.85 per 4-pound box, duty paid Trinidad.

CHOCOLATE BARS

Chocolate bars retail at 6 cents each in numerous small shops or parlours throughout the year. These are the products of four of the better-known firms in the United Kingdom and of one Canadian manufacturer.

This trade is handled through agents who purchase from stocks for resale to the small shops. Terms in Trinidad are usually thirty days sight, D.O.A.

Following are the values of imports into Trinidad, Barbados, and British Guiana of chocolate confectionery for 1937 and 1938:—

	Trinidad		Barbados		British Guiana	
	1938	1937	1938	1937	1938	1937
Total	\$51,728	\$39,397	\$27,211	\$28,929	\$49,189	\$46,061
United Kingdom.	46,553	35,026	20,900	23,433	47,672	44,082
Canada	4,636	4,276	5,102	3,984	1,139	542

CUSTOMS TARIFF

The duty on imports into Trinidad of chocolate confectionery is 10 per cent ad valorem British preferential rate and 30 per cent ad valorem general rate, to each of which is added a surtax of 15 per cent of the duty.

Imports into Barbados are subject to a British preferential rate of 10 per cent ad valorem and a general rate of 30 per cent ad valorem; the surtax in each case is 10 per cent of the duty.

The preferential rate on imports into British Guiana is 20 per cent ad valorem or 5 cents per pound, whichever is higher; and the general rate is 60 per cent ad valorem or 15 cents per pound, whichever is higher. There is also a bill of entry fee of 3 per cent ad valorem.

Imports of chocolate confectionery from Canada are dutiable at the preferential rates.

THE CANADA YEAR BOOK, 1939

The publication of the 1939 edition of the Canada Year Book, published by the authorization of the Hon. W. D. Euler, Minister of Trade and Commerce, has been announced by the Dominion Bureau of Statistics. The Canada Year Book is the official statistical annual of the country and contains a thoroughly up-to-date account of the natural resources of the Dominion and their development, the history of the country, its institutions, its demography, the different branches of production, trade, transportation, finance, education, etc.—in brief, a comprehensive study within the limits of a single volume of the social and economic condition of the Dominion. This new edition has been thoroughly revised throughout and includes in all its chapters the latest information available up to the date of going to press.

The 1939 Canada Year Book extends to over 1,200 pages, dealing with all phases of the national life and more especially with those susceptible of statistical measurement. A statistical summary of the progress of Canada is included in the introductory matter. This gives a picture in figures of the remarkable progress which the country has made since the first census of the Dominion was taken in 1871, sixty-eight years ago.

Persons requiring the Year Book may obtain it from the King's Printer, Ottawa, as long as the supply lasts, at the price of \$1.50, which covers merely the cost of paper, printing and binding. By a special concession, a limited number of paper-bound copies have been set aside for ministers of religion, bona fide students and school teachers, who may obtain copies at the nominal price of 50 cents each.

MARKET FOR CANADIAN FURS IN THE NETHERLANDS

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

(One metric ton equals 2,204 pounds; 1 kilo equals 2.2 pounds; 1 florin or guilder equals approximately \$0.53 Canadian at current rate of exchange)

Rotterdam, August 29, 1939.—There is a good demand in Holland for Canadian pelts and dressed furs. Exact figures of imports are not available. The trade estimates, however, that, provided prices are in line with Norwegian quotations, 5,000 to 7,000 silver fox skins from Canada could be used annually. The consumption of mink is estimated at from 2,000 to 4,000 pelts.

There is also interest in muskrat, Hudson Bay seal, prairie wolf and cross fox, and a moderate demand for beaver and white fox.

DOMESTIC FUR FARMING

Fur dealers estimate that Holland's silver fox production is around 2,000 skins per annum. There are about 100 breeders and the number of animals kept by each farm varies from one or two pairs to a maximum of 100 females with the necessary complement of male foxes.

Silver foxes are bred chiefly. A considerable number of these were from original Canadian stock. Some farms raise mink, and there are a few for raccoon and nutria fur. There is also one farm breeding blue foxes. The secretary of the Netherlands Association of Breeders of Silver Foxes and other Furbearing Animals, The Hague, in giving information on the industry here, stated that their members had had a difficult time due to the effects of the world economic depression with the consequent decline in purchasing power, the quality farms being especially hard hit. Attempts have been made to obtain some form of support from the Government but so far the matter is in abeyance awaiting the collection of sufficient data.

Sales of domestic-raised pelts are made partly without intermediary to the local fur dealers and partly via the London auctions. Small quantities are supplied direct to private individuals. According to the producers, prices are too low when selling to the domestic fur trade. In the opinion of the association, the London auctions continue to be the best method of disposal as the breeder gets a fair valuation on the pelts offered. Some attempt has been made to institute Netherlands fur auctions (see *Commercial Intelligence Journal* No. 1829 of February 18, 1939) but these have had only a lukewarm reception by the trade.

IMPORTS

The market for pelts and dressed furs in Holland is essentially a price one. Purchases are made wherever quotations and terms of sale are the most reasonable. London is the centre for furs from all over the world, and chief supplies for this country are obtained via the London fur auctions.

Considerable quantities of raw furs are also obtained direct from the breeders in Norway, while smaller but important shipments of pelts enter from Belgium and the United States. The official Netherlands trade returns show the quantity and value of imports of furs in 1938 as follows:—

Netherlands Imports of Raw Furs in 1938

	Quantity Kilos	Value Florins
Total	77,333	1,031,164
United Kingdom	31,264	457,896
Norway	3,225	267,268
Belgium and Luxembourg	31,875	92,201
United States	3,317	75,563

Netherlands Imports of Raw Furs in 1938—Concluded

	Quantity Kilos	Value Florins
Germany	484	17,415
France	652	30,131
Czecho-Slovakia	43	2,073
Sweden	356	29,742
Poland and Danzig	582	2,298
Denmark	493	10,655
Hungary	80	2,851
Austria	1,252	5,866
Turkey	1,977	20,802
Switzerland	13	1,738
Estonia	409	1,161
Argentina	186	4,965
Brazil	884	7,418

There are practically no direct imports from Canada. Canadian pelts reaching this market are included mainly in the arrivals from the United Kingdom.

Imports of dressed furs, made up into garments and otherwise, are combined in the official trade returns. The United Kingdom is again the principal source of supply, followed by France, Germany, Hungary, Belgium, Russia, and Czecho-Slovakia, ranged in descending order of value. Statistics of arrivals in 1938 are as follows:—

Netherlands Imports of Dressed Furs in 1938

	Quantity Kilos	Value Florins
Total	114,475	2,381,575
United Kingdom	19,869	707,289
France	22,983	628,889
Germany	22,875	381,596
Hungary	24,575	233,898
Belgium and Luxembourg	12,192	146,394
Soviet Russia	2,453	108,868
Czecho-Slovakia	2,602	52,423
Finland	28	1,813
Norway	516	18,456
Sweden	680	31,808
Denmark	1,802	11,632
Austria	193	2,857
Latvia	582	12,875
Switzerland	543	15,864
Estonia	262	1,353
South Africa	515	5,009
Argentina	57	613
United States	1,690	17,532

MARKET POSSIBILITIES

Sales opportunities for fine-grade furs are definitely limited. The winters in Holland are rather temperate and the wearing of furs is only general among the more well-to-do classes. If the price of mink declines, which may be expected to happen in the future, this fur would become more popular and consequently it would find a good outlet here. As quotations now stand, however, the purse of the average Netherlander does not run to this fur and the number of mink coats seen in Holland is small.

Silver fox is sold to a greater extent, since these skins are not beyond the reach of a moderate income. Canadian silver fox at present faces stiff competition from the Norwegian product, which is considerably cheaper. The Norwegian pelts, with the exception of a few very good skins, however, are inferior to the Canadian in quality and colour, but the lower price is the deciding factor.

As the situation now stands, direct trading between Canadian shippers and Netherlands importers is hardly feasible. Dominion exporters usually insist, due to the high value of skins, on terms of cash before shipment or an irrevocable letter of credit. Holland dealers would like consignment—such as Norwegian breeders allow them—or at least payment after inspection.

So far the London auctions have been the most satisfactory medium for both parties. Importers here claim also that Canadian exporters ask prices of from 20 to 25 per cent higher for direct sales, reasoning that this is the ordinary profit of the London commission agent, while actually it is usually only a few pence in the pound. Therefore Holland dealers feel that the fur auctions are cheaper for them in the long run, permit inspection of goods, and allow the equal possibility of purchasing either in small lots of 10 or 20 skins or of filling larger orders of from 100 to 500 pelts.

SALES PROMOTION

Some form of publicity campaign stressing the quality of Canadian pelts would be useful. It could take the form of advertisements in the leading dailies, directed both to importing firms and the general public; or a simpler method would be to send to all retailers attractive posters bearing a good picture of one of the rarer animals, combined with a suitable slogan.

Trade-marked pelts, assuring the consumer that the goods were authentic high Canadian quality, would be advantageous in stimulating sales. Dealers are convinced that "Canadian origin" is much abused and they suggest that an official trade mark would be of great benefit, provided the public were advised of its use by announcements in the press.

MARKET CONDITIONS FOR DRIED AND CANNED APPLES IN THE NETHERLANDS

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

(One metric ton equals 2,204 pounds; one kilo equals 2.2 pounds; one florin or guilder equals approximately \$0.53½ at current rate of exchange)

Rotterdam, August 23, 1939.—Prospects for the sale of Canadian dried apples in Holland during the forthcoming season are rather uncertain. On the one hand, good European, including Netherlands, fresh apple crops are expected, which will tend to lessen the demand for fruit from overseas; but on the other hand, on account of the international situation, buyers are inclined to make some provision for having some supplies available from foreign sources.

STOCKS ON HAND

There are no Canadian old crop stocks on hand, 1938 shipments to this market being entirely cleared up. There are fair stocks of United States quarters, both Oregon-Washington and Californian. The demand, which is usually pretty good during the summer months, was not maintained during the past season. There were fairly heavy shipments of United States supplies to Holland, particularly in March and April. There are, however, practically no stocks of United States rings, as these were disposed of recently, mostly to the Scandinavian countries.

Current offers for new crop evaporated apples have now been received and are as follows: Standard Oregon-Washington re-cleaned rings, \$7.25, with some business reported at \$7.15; Extra Choice Oregon-Washington re-cleaned rings, \$9; Extra Choice Oregon-Washington re-cleaned quarters, \$9.50; Extra Choice Californian re-cleaned rings, \$8.75; Extra Choice Californian re-cleaned quarters, \$9.55.

These quotations are all per 50 kilos (110 pounds) c.i.f. Rotterdam, new crop, September-October shipment.

For the last few years New York State dried apples have no longer been of interest to Netherlands buyers.

Canadian standard rings are offered at around \$8.50 per 50 kilos c.i.f. Rotterdam. This is the usual starting price, but is considerably above buyers' offers, and it is yet to be seen whether any substantial business can be effected at this level.

IMPORTS

The following table shows imports of dried apples into Holland in 1938 as compared with those in the preceding year, with comparative figures for the January-June periods of both 1938 and 1939:—

Imports of Dried Apples into the Netherlands

	1937		1938		Jan.-June, 1938		Jan.-June, 1939	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	3,185	1,030	3,759	997	2,018	530	3,966	1,154
Great Britain..	4	1	...	...	...	...	...	...
Switzerland. . .	4	1	...	...	...	...	...	...
Canada.. . . .	103	28	...	...	...	...	...	...
United States..	3,067	998	3,751	996	2,016	529	3,958	1,151

As indicated above, the United States is the principal supplier. Shipments from Canada were so small in 1938 that they are not mentioned in the statistics. Total arrivals in the Netherlands during the past six months were greater than during the preceding year.

IMPORT DUTY

Holland has a one-column tariff, and arrivals from all sources are admitted under the same rate of duty. The tariff applying on dried apples is 12 per cent ad valorem plus a compensatory duty of 1 per cent, amounting together to 13 per cent, payable on the c.i.f. value. Although it was understood that the turnover tax of 4 per cent on fruit generally which is collected on the duty-paid value of the merchandise was to be lifted, it was afterwards decided to abolish it with respect to fresh fruit only. It is therefore still applicable to dried apples. There is also a monopoly tax of fl.4 per 100 kilos (220 pounds) net weight.

MARKET PROSPECTS

The apples most favoured in the Netherlands are those which are light coloured, firm, and have a bleached appearance. Californian apples are the most popular, although Oregon-Washington marks sell well. Quarters are more usual than rings.

Dominion exporters interested in the Holland market are invited to forward samples and quotations to the office of the Canadian Commercial Attaché at Rotterdam. Offers should be c.i.f. Netherlands ports and should specify the quantity and quality of the fruit, as well as time of shipment. Holland is an open market, and there are no difficulties concerning the entry of goods or transfer of eventual payments.

CANNED APPLES

The Rotterdam market is not particularly interested in gallon apples, as these are only used to a small extent by bakers and confectioners for apple tarts. There are consequently no stocks, and inquiries received are referred elsewhere, usually to London. Japan and the United States are the principal suppliers. Prices for apples from the United States were around \$4 per dozen tins of 3 kilos each (6.6 pounds) c.i.f. Rotterdam. No quotations, however, have been received for new crop supplies. Japan is quoting approximately 7s. 6d. new crop, a slight advance over last season's offers for the same packing c.i.f. Rotterdam.

NORWAY'S SHARE OF THE WHALING INDUSTRY

T. J. MONTY, ACTING TRADE COMMISSIONER

Oslo, August 19, 1939.—According to the *Norwegian Whaling News*, the number of whales caught by pelagic expeditions in the 1938-39 season was 36,646, of which 13,828 were blue whales, 10,354 fin whales, and 2,464 sperm whales. The aggregate pelagic production of oil was 2,701,255 barrels, of which 721,721 barrels were produced by Norwegian expeditions, 843,131 barrels by British expeditions, 492,339 barrels by German, 483,714 barrels by Japanese, 69,050 barrels by Panaman, and 91,300 barrels by United States expeditions.

To these figures must be added the whales and oil produced by the shore station at South Georgia; 1,024 whales and 66,826 barrels for Grytevik (Argentina) and 651 whales and 44,465 barrels for Leith Harbour (British). These figures bring the total number of whales caught to 38,321, and the aggregate production of oil to 2,812,546 barrels.

Thirty-four expeditions and two shore stations, with 281 whale-catchers altogether, were in operation during the season.

Statistics showing the production of oil per whale unit disclose that Norway takes first place with 111.8 barrels, followed by the United States with 109.9, Panama with 108.4, Germany with 106.7, and Japan with 96.1.

The aggregate production of whale oil during the season 1937-38 was 3,340,330 barrels.

Norway's catch of whales, and the quantity of whale oil produced, show a marked reduction for last season as compared with the three previous seasons. The following table shows Norway's catch of whales and production of oil in the four seasons 1935-36 to 1938-39:—

Norway's Catch of Whales and Oil Production

	In Antarctic		Total Catch	
	Whales	Barrels	Whales	Barrels
1935-36	14,421	1,116,033	15,670	1,162,742
1936-37	15,039	1,158,665	15,943	1,191,772
1937-38	14,960	1,157,993	15,355	1,169,069
1938-39	9,863	721,721	.....	.....

1 barrel equals $\frac{1}{2}$ ton of 2,240 Pounds

The value of the catch since 1936-37 is not available, but the following figures illustrate the importance of the industry in Norway: 1931 (peak year), 149,600,000 kroner; 1933, 53,900,000; 1934, 41,900,000; 1935, 52,800,000; 1936, 69,400,000 kroner. (One krone is approximately equal to 25 cents Canadian.)

PAPER INDUSTRY IN SWEDEN AND NORWAY, 1938

T. J. MONTY, ACTING TRADE COMMISSIONER

Sweden

Oslo, August 9, 1939.—The total production of paper in Sweden in 1938 is estimated at 660,000 tons, which is 180,000 tons or 20 per cent less than the 1937 figures and 120,000 tons or 15 per cent less than those of 1936. The production of cardboard and carton, exclusive of tarred and other building boards, is estimated at 110,000 tons or some 5 per cent less than in 1937.

The following table shows the production of paper and cardboard in Sweden in the last five years:—

Swedish Production of Paper and Cardboard

	Paper M. Tons	Cardboard M. Tons
1938	660,000	110,000
1937	840,000	115,000
1936	780,000	100,000
1935	750,000	98,000
1934	695,000	85,000

As will be noted, the production of paper in Sweden was lower in 1938 than in any of the previous four years. The principal causes of this decrease are the restrictions in export markets and an overproduction during the previous year, which led to overstocking. Trade restrictions, import quotas, currency restrictions, political unrest and war have had an adverse effect, both direct and indirect, on the paper market, and contributed therefore to the curtailment of production and to the reduction in exports.

EXPORTS

According to the customs statistics, Sweden's exports of paper of all kinds in 1938 totalled 396,000 tons, which is about 175,000 tons or 30 per cent below the record figure of 1937. The reduction from 1937 occurred mainly in kraft paper (nearly 75,000 tons), sulphite wrappings (nearly 45,000 tons), newsprint (a good 35,000 tons), and greaseproof and parchment (nearly 12,000 tons). For practically all kinds of paper the export figures are less than in the two immediately preceding years, the only exception being those of "nature-brown" wrapping paper of brown mechanical pulp. The Swedish exports of cardboard, except for building purposes and artificial leather, amounted to 54,000 tons as compared with 68,000 tons in 1937 and 59,500 tons in 1936, a decrease of 20 and 9 per cent respectively.

PAPER AND CARDBOARD

The following table shows Swedish exports for the last five years of all kinds of paper and cardboard, excluding building boards and artificial leather:—

Swedish Exports of Paper and Cardboard

	Paper M. Tons	Cardboard M. Tons
1938	396,000	54,200
1937	570,300	68,000
1936	526,500	59,500
1935	530,000	58,000
1934	490,700	48,000

Exports of paper from Sweden have been lower in 1938 than at any time since 1928. Exports of newsprint amounted to 161,600 tons, a decrease of 36,200 tons or 18 per cent from the total in 1937. The largest reduction was in shipments to the United States, which declined nearly 33,000 tons. Shipments to China and Japan only totalled 1,200 tons, which was 9,000 tons less than in 1937. The quantity in 1937, however, was unusually large. Exports to Great Britain were practically unchanged at 17,400 tons. Sales to France, on the other hand, have been steadily diminishing in recent years as a result of the French restrictions.

NEWSPRINT

The following table shows exports of newsprint to Sweden's principal customers in the last five years:—

Swedish Exports of Newsprint to Principal Purchasers

	Total M. Tons	Great Britain M. Tons	France M. Tons	United States M. Tons	South America M. Tons
1938	161,600	17,400	4,800	57,000	29,000
1937	197,800	17,600	7,300	89,900	34,100
1936	180,150	17,400	9,000	79,750	29,300
1935	207,300	11,000	13,400	87,400	32,800
1934	190,600	8,700	15,400	64,600	29,600

Swedish exports of kraft paper in 1938 amounted to 115,000 tons, the lowest figure since 1932, and a reduction of 74,000 tons or nearly 40 per cent from 1937.

Exports of sulphite paper amounted to 71,300 tons, the lowest figure since the middle of the nineteen-twenties, and a drop of 43,500 tons or 38 per cent from the record of almost 115,000 tons in 1937. The exports of sulphite paper to Great Britain fell from 63,600 to 45,600 tons, but that figure, nevertheless, was no less than 64 per cent of Sweden's exports of this quality. Australia and China held second place in 1937 as purchasers of sulphite paper with about 6,500 tons each. In 1938 shipments to these countries were 4,300 and 1,500 tons respectively. In all other markets there were also reductions.

Norway

The same conditions of uncertainty and decreased exports led to curtailed production in Norway during 1938. Exports of paper and boards during that year decreased to 260,000 tons from 350,000 tons in 1937, a reduction of more than 25 per cent. The following table, showing exports for the last three years, illustrates the contractions in the paper industry in Norway:—

Norwegian Exports of Paper and Boards

	1938 M. Tons	1937 M. Tons	1936 M. Tons
Printing and writing	182,256	231,202	205,825
Wrapping paper	57,337	90,696	84,040
Other kinds of paper	5,885	5,497	5,153
Total paper	245,478	327,395	295,018
Total boards	16,143	22,808	19,825
Total paper and boards	261,621	350,203	314,843

As may be seen from the above table, the decline in exports of newsprint and writing paper in 1938 was not so great as in those of other lines. Nevertheless, it was approximately 20 per cent and was accounted for mainly by reduced shipments to European countries, China, Japan, and Argentina.

The following table shows the distribution of Norway's exports of printings and wrappings for 1937 and 1938:—

Norway's Exports of Printing and Wrapping Papers by Countries

	Printings		Wrappings	
	1938 M. Tons	1937 M. Tons	1938 M. Tons	1937 M. Tons
Total	182,256	231,202	57,337	90,696
European countries	72,039	87,295	44,744	64,594
Africa	6,005	11,269	3,516	4,827
America	64,378	76,153	425	685
Asia	31,205	43,992	3,781	12,305
Australia	4,733	6,201	1,824	3,730
Other countries	6,896	6,292	3,047	4,555

FOREIGN TRADE OF CHINA, JANUARY TO JUNE

M. T. STEWART, ACTING TRADE COMMISSIONER

(Except where otherwise stated, all dollar references are to the Chinese standard dollar, the approximate exchange value of which up to March 15, 1938, was stable at U.S.\$0.29½, for the last six months of 1938 and until the end of May approximately U.S.\$0.16½, and currently about U.S.\$0.08. The current official value of the customs gold unit is U.S.\$0.718.)

Shanghai, August 4, 1939.—The statistical returns covering the trade of China for the month of June and first six months of 1939 have just been released by the Chinese Maritime Customs, and an opportunity is afforded to review the trade of China and its economic position as compared with the corresponding period of last year. After practically two full years of hostilities the dislocation

of the trade of China consequent upon the Sino-Japanese incident is very marked, and statistical comparisons are somewhat misleading. Moreover, the rapid depreciation of the Chinese dollar as compared with United States currency, which is not fully accounted for in the statistics compiled by the Customs, tends unavoidably to distort the true position. Exports are shown by the Customs at their dollar value, and no account need be taken of the depreciation, whereas imports are valued at the official rate of U.S.\$0.30, which makes it necessary to adjust the import figures to the open market rates before a true comparison can be made.

China's foreign trade for the first six months of 1939, the totals being adjusted to the currency depreciation, was valued at U.S.\$277,068,000 as compared with values for the similar periods for 1938 and 1937 as follows:—

	Jan.-June, 1939	Jan.-June, 1938	Jan.-June, 1937
	Thousands of U.S. Dollars		
Imports	\$211,890	\$113,882	\$176,497
Exports	65,178	80,117	140,633
Total	\$277,068	\$193,999	\$317,130
Import surplus	\$146,712	\$ 33,765	\$ 35,864

Exports were valued at Chinese \$411,482,000 as compared with \$312,990,000 for the same period of 1938 and \$482,859,000 for the first half of 1937, whereas imports at open market rates totalled Chinese \$1,337,705,000 as compared with \$444,900,000 in the first half of 1938 and \$606,015,000 for the corresponding period of 1937. China's foreign trade for the first half of 1939 showed an increase of 42·8 per cent as compared with the corresponding six months of 1938, and this increase in the total trade was brought about by an advance of 86·1 per cent in imports and a decline of 18·7 per cent in exports.

TRADE OF SHANGHAI

Throughout the period under review Shanghai enjoyed a term of active trading and the statistical comparison is impressive, but it must be recalled that during the first half of 1938 the trade of Shanghai was at a very low ebb owing to the effect of the local hostilities, while trade in many other districts was still more or less normal. The hostilities later spread over a vast area and, owing to the practically complete blockade of the China coast from Canton to Tientsin, there has been a remarkable concentration of import and export trade through Shanghai.

Shanghai's import trade for the first half of 1939 as compared with the corresponding period of 1938 shows an increase of 258 per cent, while trade in the remainder of China increased by 33·9 per cent only. Shanghai also recorded a gain of 49·3 per cent for exports in the first half of 1939, whereas the fall in exports from other parts of the country was 38·8 per cent for the same period. Of an import surplus of U.S.\$146,712,000 for the whole of China during the first six months of 1939, the surplus for Shanghai alone was U.S.\$67,151,000.

CHINA'S IMPORTS BY PRINCIPAL SUPPLYING COUNTRIES

Following is a schedule showing the imports of China from the chief supplying countries for the first six months of 1939 as compared with the same period of 1938, values being converted at the official rate of exchange:—

	Jan.-June, 1938			Jan.-June, 1939		
	\$1,000	Rank	Per Cent	\$1,000	Rank	Per Cent
Total imports..	446,886	..	100.00	724,955	..	100.00
Japan..	62,666	3	14.02	170,404	1	23.51
United States..	86,182	1	19.28	112,049	2	15.46
British India (inc. Burma)	14,470	10	3.24	70,662	3	9.74
Kwantung Leased Territory.	14,725	8	3.29	58,696	4	8.10
Germany	64,748	2	14.49	51,367	5	7.09
Great Britain..	39,861	4	8.92	39,502	6	5.45
Australia	8,483	14	1.90	39,477	7	5.45
Netherlands India	21,883	5	4.90	33,001	8	4.55
Hongkong	12,073	12	2.70	17,289	9	2.39
French Indo-China	19,102	7	4.27	17,082	10	2.36

Japan has moved into the position of leading supplier to China, which formerly was occupied by the United States, and it is of interest to note that during the first half of 1939 the recorded imports from Japan into China were nearly double those from the United States for the first half of 1938 and about three times as great as recorded imports from Japan during the first six months of 1938. It is estimated that the actual imports from Japan greatly exceed the recorded totals. British India showed a substantial gain, moving from tenth position in 1938 to third in 1939, the increase being largely due to greatly increased imports of raw cotton for the Shanghai cotton industry. Owing to the hostilities, the normal supplies of cotton grown in North China are not coming to Shanghai, and about one-fourth of the total imports into Shanghai during the first half of 1938 consisted of raw cotton.

CHINA'S PRINCIPAL IMPORTS FROM CANADA

Canada's trade with China during the first six months of 1939 was valued at \$6,449,000 (2,692,000 gold units) as compared with \$4,145,000 (1,834,000 gold units) in the 1938 period. Following are some of the chief import items for which an increase is recorded, with the 1938 figures within parentheses: softwood logs, 395,000 g.u. (34,000 g.u.); sawn softwood, 689,000 g.u. (174,000 g.u.); hardwood logs, 35,000 g.u. (28,000 g.u.); manufactured softwood, 88,000 g.u. (5,000 g.u.); railways sleepers, 127,000 g.u. (nil); kraft paper, 62,600 g.u. (23,000 g.u.); salt herring, 89,800 g.u. (77,000 g.u.); and miscellaneous metal manufactures, 38,000 g.u. (24,000 g.u.). Conversely, minor decreases were shown in several items as follows: newsprint, 73,700 g.u. (118,000 g.u.); metals and ores, 528,000 g.u. (624,000 g.u.); wheat flour, 277,000 g.u. (399,000 g.u.); sulphate of ammonia, 43,700 g.u. (93,000 g.u.); and rubber tires, 45,700 g.u. (66,000 g.u.).

CHINA'S IMPORTS BY CHIEF COMMODITY GROUPS

The following table shows imports into China according to principal commodity groups for the first six months of 1939, with comparative figures for the corresponding period of 1938; the returns under this heading are given in customs gold units only, the official value of which was Chinese \$2.395 in June, 1939, as compared with the average value of \$2.259 during 1938:—

	Jan.-June, 1938 Gold Units	Jan.-June, 1939 Gold Units
Total imports..	196,595,974	300,775,810
Manufactured cotton goods (including raw cotton, yarn and thread)	7,818,220	40,768,032
Flax, ramie, hemp, jute, and manufactures thereof.. . . .	3,994,005	5,730,509
Wool and manufactures thereof	2,086,979	4,780,113
Silk (including artificial silk) and manufactures thereof .. .	618,438	6,576,045
Metals and ores	15,824,810	15,294,056
Machinery and tools	10,032,161	13,126,293
Vehicles and vessels	8,604,596	9,752,067
Miscellaneous metal manufactures	6,352,381	7,674,588
Fishery and sea products	1,605,628	3,391,023
Animal products, canned goods, and groceries	1,732,983	3,431,033

China's Imports by Chief Commodity Groups—Concluded

	Jan.-June, 1938	Jan.-June, 1939
	Gold Units	Gold Units
Cereals and flour	37,363,338	50,669,902
Fruits, seeds, and vegetables	1,856,756	7,449,055
Medicinal substances and spices	1,349,803	2,743,213
Sugar	2,950,799	13,323,769
Wines, beer, spirits, table waters, etc.	400,735	1,261,774
Tobacco	5,641,511	10,432,824
Chemicals and pharmaceuticals	10,499,413	16,506,109
Dyes, pigments, paints, and varnishes	4,115,386	10,218,916
Candles, soap, oils, fats, waxes, gums, and resins.	20,791,859	26,934,205
Books, maps, paper, and wood pulp	9,738,192	13,440,210
Hides, leather, and other animal substances.	877,889	1,703,598
Timber	3,240,870	7,135,256
Wood, bamboos, rattans, coir, straw, and manufactures thereof	1,214,492	2,590,144
Coal, fuel, pitch, and tar	1,689,681	5,701,852
China-ware, enamelledware, glass, etc.	693,060	1,332,091
Stone, earth, and manufactures thereof	665,638	1,149,340
Sundry	34,836,351	17,659,793

CHINA'S EXPORTS TO PRINCIPAL COUNTRIES

The following schedule shows the relative positions of the ten leading purchasers of China's products for the first half of 1939 as compared with the corresponding period of 1938:—

	Jan.-June, 1938			Jan.-June, 1939		
	Chinese \$1,000	Rank	Per Cent	Chinese \$1,000	Rank	Per Cent
Total exports	322,919	..	100.00	412,641	..	100.00
Hongkong	112,465	1	34.83	104,224	1	25.26
United States	31,677	3	9.81	67,089	2	16.26
Great Britain	23,218	5	7.19	33,046	3	8.01
Japan	55,619	2	17.22	32,931	4	7.98
Germany	23,397	4	7.25	30,712	5	7.44
Kwantung Leased Territory	9,903	6	3.07	26,808	6	6.50
French Indo-China	5,661	11	1.75	23,387	7	5.67
France	7,517	9	2.33	13,674	8	3.31
Straits Settlements and F.M.S.	8,359	8	2.59	13,556	9	3.29
British India	5,743	10	1.78	7,967	10	1.93

Although the total volume of exports from China showed an increase over those for the first half of 1938, no very significant trends are apparent. There was a substantial increase in exports to the United States, but the total is still far short of the quantity shipped to that country during the corresponding period of 1937, amounting to Chinese \$155,601,000. Exports to Japan fell considerably, and the 1938 total was below that of 1937 when Japan's share was Chinese \$63,125,000. The importance of Hongkong from the statistical angle is due to its position as the entrepôt for the import and export trade of China, the bulk of the exports credited to Hongkong being later re-exported to other countries.

CHINA'S EXPORTS TO CANADA

China's export trade to Canada showed a marked increase during the period under review as compared with the first half of 1938, the figures being \$5,960,000 and \$1,552,000 respectively. Following are some of the chief items for which an increase is recorded, with the 1938 figures shown within parentheses: drawn-thread work, \$478,000 (\$90,200); cross-stitch work and embroideries other than silk, \$904,000 (\$272,000); lace and trimmings, \$483,000 (\$251,000); peanut oil, \$855,000 (nil); walnut kernels, \$1,168,000 (\$420,000); peanuts, \$1,515,000 (\$225,000); woollen carpets and floor rugs, \$147,000 (\$63,000); and sundries, \$212,000 (\$106,000).

EXPORTS BY PRINCIPAL COMMODITY GROUPS

The following table shows exports from China according to principal commodity groups from January to June, 1939, as compared with the same period of last year:—

	Jan.-June, 1938	Jan.-June, 1939
	Thousands of Chinese	Dollars
Total exports	312,990	411,482
Animals and animal products (not including hides, leather, and skins (furs) and fishery products . . .	45,880	81,983
Hides, leather and skins (furs)	10,908	15,766
Fishery and sea products	1,337	1,923
Beans and peas	454	2,977
Cereals and cereal products	513	14,215
Dyestuffs, vegetable	605	1,671
Fruits, fresh, dried and preserved	4,969	8,432
Medicinal substances and spices (not inc. chemicals)	5,836	8,688
Oil, tallow and wax	27,691	29,669
Seeds	8,299	11,960
Spirituos beverages	642	683
Tea	8,925	6,662
Tobacco	3,465	6,487
Vegetables	4,748	6,473
Other vegetable products	1,951	3,638
Bamboo	1,273	946
Fuel	6,266	11,456
Timber, wood and manufactures thereof	1,511	2,141
Paper	3,433	4,319
Textile fibres	69,440	48,690
Yarn, thread, plaited and knitted goods	23,780	28,341
Piece-goods	9,699	14,876
Other textile products	5,246	10,778
Ores, metals and metallic products	53,384	49,960
Glass and glassware	295	1,352
Stone, earth, sand and manufactures thereof (includ- ing chinaware and enamelledware)	2,240	4,272
Chemicals and chemical products	2,543	6,132
Printed matter	1,615	1,568
Sundry	15,578	25,092

EXCHANGE SITUATION IN SHANGHAI

The exchange value of the Shanghai dollar has suffered a severe decline within recent weeks and is currently quoted at $4\frac{3}{4}$ d., or U.S.\$0.08 $\frac{1}{2}$. Mention has previously been made of the influence of the Exchange Stabilization Fund, which was operated in Shanghai jointly by the Hongkong and Shanghai Banking Corporation and the Chartered Bank of India, Australia, and China. These operations had been effective in keeping the exchange value of the Shanghai dollar stable at $8\frac{1}{4}$ d., or U.S.\$0.16 $\frac{1}{2}$ for a period of several months despite a rapidly rising adverse import balance. The Fund Committee supported the Chinese dollar until the morning of June 7, at which time support was suddenly withdrawn, and the exchange value of the dollar rapidly declined to about $6\frac{3}{4}$ d., or U.S.\$0.13 $\frac{1}{4}$.

It was apparent that the cost of supporting the local dollar at 16 $\frac{1}{2}$ cents was considerable, but the belief was widespread that sufficient support would be forthcoming, and the sudden cessation of selling by the Exchange Control Committee at this level was very disturbing to the importing firms in Shanghai. The local dollar received from the Stabilization Fund some further support at $6\frac{1}{2}$ d., or U.S.\$0.13 $\frac{1}{8}$, but on Monday, July 17, no further foreign exchange was offered at this rate, and in the unsupported market the extremely low level of $4\frac{1}{4}$ d., or about U.S.\$0.08, was reached.

The effect on the business community of the comparatively rapid fall of the Chinese dollar from U.S.\$0.29 $\frac{1}{2}$ to U.S.\$0.08 was severe, and the period of readjustment to the altered conditions must necessarily be attended with many difficulties.

Goods imported on the basis of an 8-cent dollar will be altogether beyond the purchasing power of the Chinese population, and the cost of living in Shanghai, even for the poorer classes, will be substantially increased. It is expected that the immediate effect will be that a substantial percentage of the Chinese who had migrated to Shanghai because of the hostilities will return to their native country districts, where they may find some means of livelihood, and it is possible thus to visualize Shanghai losing the artificial prosperity resulting from the greatly increased temporary population. With Shanghai's population back to something approaching normal, with much less than normal trade, and with the dollar at less than one-third of its former value, many difficult problems confront the foreign business community. The first five months of this year showed a really buoyant trade position, however unstable the foundation may have been, but with the collapse in exchange the situation is entirely altered, and difficult conditions are inevitable.

The influence of the lower exchange rate is being keenly felt and will be reflected in later trade returns. The export trade of Shanghai in June fell by 35.7 per cent as compared with May, and the drastic fall in exports represents a steadily deteriorating position whereby it is becoming increasingly difficult to bring Chinese produce to the Shanghai market for export. The present indications are that, despite comparatively satisfactory results for the first half of the year, it will not be surprising if the total volume of Shanghai's trade during the remaining six months falls below the low level of 1938.

TRADE PROSPECTS

The month of June witnessed so many disturbing events and the business outlook for Shanghai has become so unfavourable since the close of the half-year that it is apparent that the relatively prosperous conditions enjoyed during the first five months of 1939 were merely a passing phase, and a recurrence of prosperity cannot be expected until certain fundamental changes have taken place. The blockade of the coast of China consequent upon the Sino-Japanese hostilities is so complete that it is estimated that over 70 per cent of the export trade of China is done from the occupied areas and more than 85 per cent of the import trade is into the territory under Japanese control, which leaves only a small proportion of the trade for the areas still under the National Government of Chungking.

The demarcation between the occupied and unoccupied areas presents tremendous problems of transportation, both of imports and exports, and greatly hampers trade. The collapse of the currency has dealt a death-blow to import trade, and the outlook for foreign importing firms is far from promising. The local difficulties appear to be primarily dependent for their solution on the general international situation and, although no encouraging factors of consequence are discernible at present, interesting developments are always possible.

FOREIGN TRADE OF JAPAN, JANUARY TO JUNE

C. M. CROFT, COMMERCIAL SECRETARY

(One yen equals approximately 27.5 cents Canadian at current rate of exchange)

Tokyo, August 8, 1939.—The total trade of Japan proper during the first six months of 1939 amounted in value to 2,932,724,774 yen, exports being valued at 1,454,403,207 yen and imports at 1,478,321,567 yen. The value of Japan's trade during the first six months of 1938 totalled 2,595,105,138 yen, exports being valued at 1,200,632,545 yen and imports at 1,394,472,593 yen.

The total trade of the Japanese Empire, including Chosen, Taiwan, and Nanyo, for the first half of 1939 was valued at 3,208,212,744 yen. Exports totalled 1,617,423,578 yen in value and imports 1,590,789,166 yen. Thus there

was an excess of exports over imports of 26,634,412 yen in the trade of the Japanese Empire. Comparative figures for the corresponding period of 1938 were as follows: total trade, 2,772,525,875 yen; exports, 1,288,574,374 yen; imports, 1,483,951,501 yen; excess of imports over exports, 195,377,127 yen.

For Japan proper imports exceeded exports by 23,918,360 yen in the first half of 1939, but there was a considerable improvement over the first six months of 1938 when the excess of imports was 193,840,048 yen. For the Japanese Empire there was an excess of exports during the six months of this year of 26,634,412 yen as compared with an excess of imports of 195,377,127 yen for the first six months of 1938.

As details of the export and import trade of Chosen, Taiwan, and Nanyo are not available, the statistics which are quoted below refer to the trade of Japan proper, not of the Japanese Empire.

Japan's principal "export season" is not until the second half of the year and, therefore, the results at the end of June this year were considered as satisfactory to a considerable degree. As compared with the first half of 1938 the exports during the first two quarters of 1939 increased by 253,770,662 yen or 21.1 per cent, while the value of imports increased by 83,848,974 yen or 6 per cent.

TRADING POSITION

The trading position of Japan must be considered in conjunction with her trade with the "yen-bloc" countries—namely Manchuria, Kwantung Province, and China. During the six months under review Japan's exports to those countries were valued at 725,197,882 yen as compared with 508,621,388 for the first half of 1938. Exports to countries other than Manchuria, Kwantung Province, and China amounted to 729,205,325 yen as compared with 692,011,157 yen during the six months ended June 30, 1938. Imports from the "yen-bloc" countries were valued at 355,645,994 yen during the first half of 1939 as against 312,876,306 for the corresponding six months of last year. Purchases from other countries were valued at 1,122,675,573 yen as compared with 1,081,596,287. Thus exports to the "yen-bloc" countries exceeded the imports from those countries by 369,551,888 yen as against 195,745,082 yen for the first half of 1938. Furthermore, the trade with other than "yen-bloc" countries showed an excess of imports over exports of 393,470,248 yen as compared with 389,585,130 yen for the first half of 1938. Thus the international trading position is not quite so favourable as it appears at first, although it is much more favourable than during the first six months of 1937 when imports from other than "yen-bloc" countries exceeded exports to those countries by 747,034,035 yen.

DISTRIBUTION OF EXPORTS

Asiatic countries were the largest consumers of Japan's exports during the six months under review, the value being 981,417,411 yen as compared with 740,466,941 yen for the corresponding period of 1938. Exports to North America were valued at 217,170,995 yen as compared with 181,738,886 yen during the first six months of 1938. The United States and Canada were the purchasers of most of these exports. European countries took Japanese exports to the extent of 107,205,156 yen as against 118,685,787 in the corresponding period of 1938. Shipments to Africa were valued at 66,197,216 yen, going largely to South Africa, Kenya, Uganda and Tanganyika, French Morocco, and Egypt. Australia, New Zealand, and Hawaii were the largest purchasers of exports valued at 41,574,788 yen to Oceania.

The following table shows the values of exports to the twelve principal purchasers of Japanese goods during the first six months of 1939, also corresponding figures for the 1938 period for comparative purposes.

Japan's Exports by Principal Countries

	Jan.-June, 1939 Yen	Jan.-June, 1938 Yen	Increase + or Decrease— Per Cent
Kwantung Province	(1) 326,436,860	(1) 235,812,775	+ 38.4
United States	(2) 210,423,912	(2) 174,880,214	+ 20.3
Manchukuo	(3) 202,986,084	(3) 140,775,204	+ 44.2
China	(4) 195,774,938	(4) 132,033,409	+ 48.3
British India	(5) 95,505,710	(5) 81,829,775	+ 16.7
Netherlands Indies	(6) 55,127,705	(7) 43,345,190	+ 27.2
Great Britain	(7) 49,507,111	(6) 62,111,768	— 20.3
Australia	(8) 30,038,224	(8) 35,742,781	— 15.9
Germany	(9) 18,693,696	(14) 12,753,073	+ 46.6
South Africa	(10) 18,659,651	(11) 16,875,043	+ 10.6
Hongkong	(11) 16,453,898	(16) 9,331,771	+ 76.3
Siam	(12) 13,147,454	(9) 21,526,584	— 38.9

EXPORTS BY COMMODITIES

Tissues of various kinds constituted Japan's principal group of exports. Included in this group were cotton tissues to the value of 182,893,328 yen (as compared with 220,554,122 yen for the first half of 1938); artificial silk tissues valued at 62,149,117 yen (54,477,849 yen); woollen tissues worth 27,898,350 yen (17,853,137 yen); and silk tissues to the value of 19,428,920 yen (23,888,126 yen in the corresponding period of 1938). The quantity of cotton tissues exported during the first half of 1939 was greater than for the first half of 1938, the lower value being accounted for by lower market prices per yard. A feature of the cotton export trade was a sharp reduction in shipments to China, Manchuria, and Kwantung Province, with the resultant relative increase in exports to other countries. The system of linking imports of raw cotton (and other raw materials) to the exports of the finished products does not apply to exports to the "yen-bloc" countries and the reduced shipments of cotton goods to those markets has reportedly caused some spinning companies to consider moving some of their equipment to North China. The exports of woollen tissues increased both in value and volume, this expansion being shared by most of the classes of textiles, particularly by serges and woollen cloth. Artificial silk tissues decreased in volume but increased substantially in value.

The exports of raw silk during the six months ended June 30, 1939, amounted to 21,326,976 pounds valued at 166,621,337 yen as compared with 26,793,360 pounds to the value of 150,887,336 yen during the corresponding period of 1938. Thus there was a decrease of 20.2 per cent in volume but an increase of 10.4 per cent in value. The principal purchasers of Japanese raw silk were the United States, Great Britain, and France. No exports to Canada were recorded during the six months under review. Artificial silk exports increased both in quantity and value.

A substantial increase occurred in the exports of machinery and parts thereof, the value of the shipments during the first half-year being 102,029,071 yen as against 60,299,637 yen. This increase was due entirely to larger exports to Manchuria, Kwantung Province, and China; in fact shipments to all other countries (except Brazil) decreased. The expanded trade with the "yen-bloc" countries affords evidence of the industrial development of Manchuria and of the movement of equipment for the rehabilitation of parts of China.

Comestibles in tins or bottles were exported to the value of 41,216,697 yen as against 32,234,248 yen for the corresponding period of 1938. Included in this value was canned salmon worth 5,385,589 yen as compared with 9,724,282 yen. Canned crab was valued at 8,276,145 yen as against 5,717,481 yen.

Shipments of wood (including logs, lumber, plywood, shooks, etc.) were valued at 44,652,404 yen during the six months under review as against 18,320,392 yen. Increased shipments of wood to Kwantung Province, China, and Manchuria were responsible for the expanded trade.

The exports of paper of various kinds and manufactures during the six months were valued at 30,649,094 yen as compared with 20,693,244 yen. The largest item was printing paper (other than art paper and newsprint) to the value of 7,095,557 yen (3,087,568 yen). Other prominent items were paste-board, packing or wrapping paper, Japanese style paper, and cigarette paper.

IMPORTS BY COUNTRIES

Of the total imports into Japan proper valued at 1,478,321,567 yen, imports from Asiatic countries accounted for 591,749,735 yen as against 544,285,107 yen for the first six months of 1938. North America was credited with 574,662,485 yen as compared with 512,306,412 yen. Japan purchased from Europe to the value of 170,273,356 yen as against 218,329,967 yen. Oceania (largely Australia) supplied goods to the value of 52,380,566 yen as compared with 53,431,294 yen. Imports from South America were valued at 44,376,965 yen as against 28,461,850 yen. Africa's share of the trade was 43,346,432 yen as compared with 33,244,991 yen. Purchases from Central America amounted to 1,532,028 yen as against 4,412,972 yen during the 1938 period.

The following table shows the values of imports from the twenty largest suppliers, corresponding values for the first half of 1938 being shown for comparison:—

Japan's Imports by Principal Countries

	Jan.-June, 1939 Yen	Jan.-June, 1938 Yen	Increase + or Decrease — Per Cent
United States	(1) 512,389,417	(1) 460,414,591	+ 11.3
Manchukuo	(2) 225,497,999	(2) 199,852,069	+ 12.8
China	(3) 98,799,131	(5) 80,876,902	+ 22.1
British India	(4) 87,902,129	(4) 89,498,395	— 1.8
Germany	(5) 78,686,088	(3) 101,678,865	— 22.6
Canada	(6) 61,880,619	(7) 51,888,250	+ 19.2
Australia	(7) 43,259,122	(8) 44,174,911	— 2.1
Netherlands India	(8) 39,735,010	(6) 52,959,032	— 25.0
Kwantung Province	(9) 31,348,864	(10) 32,147,335	— 2.5
British Malaya	(10) 25,832,344	(15) 13,578,541	+ 90.2
Egypt	(11) 24,535,387	(12) 18,605,367	+ 31.9
Straits Settlements	(12) 24,383,582	(11) 29,582,952	— 17.6
Philippine Islands	(13) 22,382,657	(13) 16,095,751	+ 39.0
Brazil	(14) 21,957,866	(27) 4,893,511	+348.7
Norway	(15) 14,994,877	(18) 8,900,952	+ 68.4
Great Britain	(16) 13,608,007	(9) 42,397,739	— 67.9
Sweden	(17) 13,587,502	(14) 14,415,102	— 5.7
French Indo-China	(18) 10,513,788	(17) 9,357,397	+ 12.3
Switzerland	(19) 9,666,112	(19) 8,774,157	+ 10.1
Austria	(20) 9,587,458	(24) 5,739,241	+ 67.0

It will be seen from the above table that purchases from twelve of the twenty countries showed increases during the period under review. Canada improved her position slightly and was the sixth largest supplier of Japan's import requirements. Great Britain's share of the market dropped sharply, while purchases from Brazil expanded nearly fivefold, due largely to increased imports of raw cotton.

IMPORTS BY CLASSES

The imports of articles classed as "raw materials" amounted to 679,844,000 yen during the first six months of 1939 as against 645,750,000 yen during the corresponding period of 1938. Purchases of "manufactures for further use in manufacturing" amounted to 449,140,000 yen as compared with 383,772,000 yen. "Articles wholly manufactured" were imported to the value of 208,087,000 yen as against 233,637,000 yen. The imports of "food, drink, and tobacco" in a natural state amounted to 109,774,000 yen (97,256,000 yen in the 1938 period), while items in this class which were partly or wholly prepared were purchased to the value of 131,753,000 yen (121,365,000 yen).

IMPORTS BY COMMODITIES

As has been stated in previous reports, the Japanese import statistics do not include details of the purchases of a number of important items and therefore a full analysis of the trade is not possible.

Ores and metals to a value of 418,408,448 yen were imported during the first half of 1939 as compared with 340,442,896 yen for the corresponding period of 1938 and 355,282,276 yen for the six months of 1937. The extent of this trade shows that despite strenuous efforts to increase local production and the use of substitute materials, Japan has to purchase a large quantity of ores and metals from other countries. No data are available as to the classes of ores and metals which were imported, nor as to the sources of supply.

The imports of yarns, threads, twines, cordages, and materials were valued at 289,103,091 yen. This figure compares with 281,298,634 yen in the 1938 period and 920,852,195 yen in the 1937 period. While the year 1937 was certainly a year of abnormal and speculative imports, there has been a decided decline in imports of such raw materials as cotton and wool required by the peace-time industries. For instance, ginned cotton was imported to the value of 217,700,460 yen as against 217,329,266 yen in the 1938 period and 629,721,856 yen in the 1937 period, and sheep's wool to the extent of 44,663,780 yen as compared with 48,599,046 yen in the six months of 1938 and with 258,003,233 yen in the half-year of 1937.

Under the heading of clocks, watches, scientific instruments, firearms, vessels, and machinery there were imports valued at 152,716,257 yen as against 164,443,965 yen for the first half of 1938 and 125,681,337 yen for the 1937 period. Of these totals, machinery accounted for 132,194,022 yen, 112,308,711 yen, and 80,622,120 yen respectively, thus showing a growing trade. Oils, fats, waxes and manufactures thereof were imported to the value of 130,670,086 yen as compared with 145,475,567 yen in the 1938 period and with 132,131,233 yen in the 1937 period. Here again details are not available. Gasolene constitutes a large proportion of this value.

Purchases of grains, flour, starches, etc., amounted to 124,503,855 yen in the period under review as against 109,296,193 in the corresponding period of 1938. Included in this classification were beans and peas to the value of 80,653,938 yen as compared with 64,584,958 yen; these came very largely from Manchuria, China, and Kwantung Province. It is of interest to observe that the purchases of wheat amounted to 2,426,144 yen as compared with 7,381,749 yen in the first half of 1938 and 16,986,228 yen in the corresponding six months of 1937. Imports from China were valued at 1,777,556 yen as against 5,562 yen in the 1938 period; Australia's share was 129,041 yen (3,437,726 yen), and imports from Canada amounted to 99 yen only (none in the first half of 1938). Wheat flour was imported to the limited value of 2,616 yen as against 101,700 yen in the 1938 period, the sources of supply not being shown.

The imports of drugs, chemicals, medicines, and explosives were valued at 88,124,026 yen as compared with 103,726,468 yen and 152,670,187 yen in the 1938 and 1937 periods. The largest item was gum and gum resins to the value of 29,228,294 yen. Minerals and manufactures thereof were purchased to the value of 71,028,173 yen as compared with 56,630,394 yen in the first half of 1938 and 57,556,672 yen in the corresponding period of 1937. The principal item was coal to the value of 31,956,860 yen (28,272,675 yen). The imports of asbestos were valued at 4,353,755 yen as compared with 4,723,736 yen in the 1938 period. The countries of origin of asbestos imports are not shown but it is safe to say that about three-quarters came from Canada.

Imports under the heading of papers, paper manufactures, books, and pictures were valued at 34,809,256 yen as compared with 39,150,913 yen in the 1938 period and with 59,001,272 yen in the first half of 1937. The outstanding item in this group is cellulose pulp, which accounted for 32,595,609 yen (35,102,972

yen). The principal suppliers were the United States, Norway, Finland, and Sweden. Canada's share was only 115,095 yen (5,008,302 yen). Most of the pulp imported (28,465,939 yen) was rayon pulp. The trade in printing paper has been reduced to a minimum, the value of newsprint for the half-year being only 3,593 yen as against 678,840 yen and 2,369,031 yen for the first six months of 1938 and 1937 respectively.

The purchases of beverages, comestibles, and tobacco were valued at 25,561,180 yen as compared with 29,070,646 yen. Fresh beef was imported to the extent of 2,575,521 yen (2,291,750 yen) and came principally from China, Manchuria, and Kwantung Province. Canada had no share in this trade.

Included under the heading of miscellaneous articles were a number of commodities, the outstanding being manures, which were imported to the value of 56,779,990 yen (45,870,660 yen); oilcake valued at 54,289,130 yen (44,286,212 yen); and wood, 14,705,086 yen (11,193,098 yen). The principal suppliers of wood were the Philippine Islands, the United States, Canada, and Netherlands India.

SUMMARY OF THE FOREIGN TRADE OF JAPAN

The foreign trade of Japan during the first six months of 1939 is summarized in the following table, comparative figures for 1938 being also shown:—

	Jan.-June, 1939 Yen	Jan.-June, 1938 Yen	Increase+ or Decrease— Per Cent
Imports	1,478,321,567	1,394,472,593	+ 6.0
Exports	1,454,403,207	1,200,632,545	+ 21.1
Total trade	2,932,724,774	2,595,105,138	+ 13.0
Excess of imports	23,918,360	193,840,048	— 87.6

TRADE WITH CANADA

During the six months ended June 30, 1939, Japan exported goods to Canada to the value of 6,736,722 yen as compared with 6,834,820 yen during the corresponding period of 1938 and 9,402,812 yen for the first six months of 1937. Imports from Canada during the first half of 1939 were valued at 61,880,619 yen as against 51,888,250 yen and 44,500,758 yen during the corresponding periods of 1938 and 1937 respectively. Thus, according to Japanese statistics, exports to Canada decreased by 98,098 yen or 1.43 per cent and imports from Canada increased by 9,992,369 yen or 19.25 per cent. It is of interest to observe that Canada supplied 4.18 per cent of the total imports during the first half of 1939 as compared with 4.44 per cent in the 1938 period and 2.07 per cent in the six months of 1937.

In the period under review Japan's imports from Canada exceeded her exports to Canada by 55,143,897 yen as compared with 45,053,430 yen and 35,097,946 yen for the corresponding six months of 1938 and 1937 respectively.

EXPORTS TO CANADA

Raw silk is the most important product of Japanese origin which Canada imports, but there is no record of any direct shipments during the first six months of 1939, although the direct exports to Canada during the first half of 1938 were valued at 179,634 yen and those in the relative period of 1937 at 419,830 yen. Canada purchases raw silk through the United States and the figures issued by the Dominion Bureau of Statistics of the imports of "silk cocoons, raw silk, not more advanced than singles, not to include material wholly or partly degummed," give an indication of the quantity of Japanese silk which Canada purchases. These statistics show that Canada imported raw silk from the United States during the six months under review to the extent of 1,132,611 pounds valued at \$2,562,941, a large proportion of which was Japanese silk.

Similar statistics for the first six months of 1938 were 1,161,755 pounds valued at \$1,951,178.

Exports of pottery to Canada during the period under review were valued at 588,825 yen as compared with 597,988 yen for the corresponding six months of 1938.

Japan sold textiles of silk and artificial silk to Canada to the values of 86,078 yen and 337,059 yen respectively during the six months ended June 30, 1939, as compared with 112,675 yen and 543,912 yen for the corresponding period of 1938.

Toys were exported to Canada to the value of 323,655 yen as against 661,615 yen for the first half of 1938 and 725,233 yen for the six months of 1937.

Exports of tea to Canada for the six months were valued at 284,860 yen, which was a considerable increase over the first six months of 1938 when the value was 76,607 yen. The exports to Canada during the first half of 1937 were worth 281,704 yen.

Other important items exported to Canada during the half-year, with comparative figures for the first half of 1938 within parentheses, were as follows: rice and paddy, 191,856 yen (341,332 yen); beans and peas, 61,472 yen (14,246 yen); lamps and parts, 144,852 yen (145,463 yen); buttons, 95,235 yen (68,574 yen); menthol crystals, 75,354 yen (24,938 yen); silk handkerchiefs, 66,791 yen (49,928 yen); brushes, 42,461 yen (63,057 yen).

IMPORTS FROM CANADA

Owing to the limited statistics which are issued in Japan at present it is not possible to review the trade in the most important group of commodities which Canada sells to Japan, namely ores, metals, and minerals. The returns of the Dominion Bureau of Statistics show the exports to Japan of several of these items during the first six months of 1939 to have been as follows, the comparative figures for the 1938 period being shown within parentheses: nickel, \$4,609,621 (\$2,586,248); lead, \$1,318,244 (\$149,544); copper, \$1,155,088 (\$1,095,708); zinc, \$935,856 (\$552,171); aluminium, \$4,504,122 (\$2,691,174); and asbestos, \$719,552 (\$863,042).

The imports of wood, including logs, sawn lumber, and other items, from Canada during the first half of 1939 were valued at 1,570,647 yen, which was an increase over the value of 690,671 yen for the corresponding six months of 1938. However, the value of such imports was still well below the level of 1937 when the imports for the first half-year amounted to 4,922,560 yen. It is of interest to note that imports from the United States during the period under review were valued at 4,570,338 yen as against 4,430,249 yen (9,363,141 yen in the 1937 period). The other prominent suppliers were the Philippine Islands and Netherlands India, which do not furnish wood of the same type as Canada does.

Cellulose pulp came from Canada to the value of 115,095 yen during the first half of 1939 as compared with 5,008,302 yen for the same period of 1938. The principal suppliers of the 1939 imports were the United States, Norway, Finland, and Sweden. Of the pulp imported 87.3 per cent was for the manufacture of rayon. As mentioned in a previous report, a quota basis was established for the importation of rayon pulp, and as Canada had no extensive record as a supplier of this kind of pulp the share allotted to her was very small. However, Canada has been given a much larger share of the imports authorized for the remainder of the year. Japan has been making every endeavour to make herself as nearly self-sufficient in pulp as possible and, while rayon pulp will have to be imported, particularly for goods for export, the immediate prospects for sale of paper pulp to Japan are by no means bright.

The imports of printing paper, including newsprint, into Japan have been reduced to a minimum and the value of imports from all countries during the first half of 1939 was only 8,109 yen. None of this came from Canada, although Canada supplied to the value of 359,966 yen during the first six months of 1938 and 1,911,892 yen in the 1937 period. The consumption of printing papers has been subjected to control in order to ensure that local production will be adequate and it is not expected, therefore, that there will be an import market in the immediate future.

During the six months ended June 30, 1939, Canada supplied wheat to the limited extent of 99 yen. The total imports were valued at 2,426,144 yen. It is of interest to observe that China supplied to the value of 1,777,556 yen, while Australia's share was 129,041 yen. Neither the United States nor Argentina shared in the 1939 imports. The quotations for locally grown wheat continue to be higher than those for Canadian or other overseas wheat but the exchange control regulations have precluded the possibility of business for Canada. In any event Canadian prices have been higher than Australian.

Fresh beef was imported to the total value of 2,575,521 yen as against 2,291,750 yen in the 1938 period. Canada had no share of the 1939 trade but supplied to the value of 6,455 yen in the six months of 1938. China was the principal source of supply of the 1939 imports with 1,580,432 yen (640,181 yen in the 1938 period). Close contact is being maintained by the importers with the Canadian situation and when Canadian prices are competitive business will follow.

SUMMARY OF CANADIAN TRADE

The following table summarizes Japan's imports from and exports to Canada during the first half of 1939 as compared with the corresponding period of 1938:—

	Jan.-June, 1939 Yen	Jan.-June, 1938 Yen	Increase+ or Decrease— Per Cent
Imports from Canada	61,880,619	51,888,250	+ 19.2
Exports to Canada	6,736,722	6,834,820	— 1.4
Total trade	68,617,341	58,723,070	+ 16.8
Excess of imports	55,143,897	45,053,430	+ 22.4

TRADE PROSPECTS

In order to protect her economy Japan is strictly controlling both export and import trade. Exports to countries outside the "yen-bloc" are being encouraged in order to secure the foreign exchange which is urgently required to finance essential imports. The import trade has been confined almost exclusively to those items which are classed as essentials, particularly raw materials. A survey of the import statistics shows that there has been a tendency for raw materials for the heavy industries to increase and that there has been a decline in purchases of raw materials for other industries. This decline has been accentuated by the control enforced on the domestic consumption of such items as cotton and woollen textiles.

There is no immediate prospect of any alteration in the rigid control of trade. If there is any change, it will undoubtedly be towards a still more rigid control of non-essentials. Canada has enjoyed an increasing trade with Japan by virtue of the possession of wanted raw materials; but the trade in other items has been cut down to negligible proportions, if not entirely eliminated. These conditions will, in all probability, continue until the conclusion of the current hostilities in China and for some time thereafter.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

EMERGENCY DEFENCE REGULATIONS

Several orders have been made in pursuance of regulations authorized by the Emergency Powers (Defence) Act of the United Kingdom, assented to August 24. Section 55 of the Defence Regulations, which relates to general control of industry, provides that a competent authority, so far as it appears to be necessary for maintaining supplies and services essential to the life of the community, may by order regulate or prohibit the production, distribution, disposal, acquisition, use, or consumption of articles and control prices at which such articles may be sold. Orders under this section have been passed respecting: copper, lead, zinc, aluminium, iron and steel, coal, flax, jute, wool, silk (raw, waste, noils or noil yarns), yarn of rayon or of other synthetic fibre or of staple fibre, hides and skins, growing trees, molasses and industrial alcohol, feeding-stuffs, flour, meats, sugar, pigs for slaughter, marine oils, oilseeds, vegetable oils and fats, animal oils and fats, margarine and cooking fats.

Section 53 provides for requisitioning of property (other than land) and under the authority of this section and section 55 orders have been issued affecting cereals and cereal products, tea, canned meats, and dried fruits.

The Currency (Defence) Act, assented to September 1, amends the law with respect to the application and financing of the Exchange Equalization Account, makes postal orders and certain bank notes temporarily legal tender, and makes provision with respect to certain loans granted by the Bank of England.

Ireland

IMPORT QUOTA ON SILK HOSIERY

With reference to the notice in *Commercial Intelligence Journal* No. 1841 (May 13, 1939), page 728, Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by an order of the Government of Eire, dated September 5, 1939, an additional quota for the importation into Eire of 120,000 pairs of hosiery made wholly or partly of silk or artificial silk has been allotted for the period June 1 to November 30, 1939, making the total quota for this period up to 360,000 pairs.

Australia

TARIFF DECISIONS

Recent Australian customs decisions as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Self-lubricating bearings composed of graphite and bronze, for the manufacture of electric fans and of appliances of the type used with motor car wireless receiving sets for the conversion of current from the car battery into current suitable for the plate supply of the valves of the set, are free of duty under the British preferential tariff and subject to 15 per cent ad valorem under the general tariff (by-law under Item 404).

Crude oil, light weight, high-speed engines of the compression-ignition type or of the controlled (spark plug) ignition type, up to and including 100 h.p., for installation in existing motor vehicle chassis, railway and tramway vehicles and locomotives, to replace internal combustion engines which have rendered commercial service in such chassis vehicles and/or locomotives, are free of duty under the British preferential tariff and subject to 15 per cent ad valorem under the general tariff (by-law under Item 174Y).

Electric fans of types ordinarily used in offices or in the household, incorporated in various articles of furniture, for use in circulating air in rooms, 12½ per cent ad valorem under British preferential tariff, 65 per cent ad valorem under general tariff (Item 179D3a). This decision applies to articles of furniture as prescribed in instructions to collectors of customs. Small "utility stands," "smokers' stands," and "occasional tables" are among the articles covered.

Gas unit heaters, consisting of a gas-heating chamber behind which is situated a fan for propelling air through the heating device and dispersing the hot air into the room (as

prescribed in instructions to collectors), 25 per cent ad valorem under British preferential tariff, 47½ per cent ad valorem under general tariff, rates to increase as present Australian exchange depreciation may be lessened (Item 180C2b).

Household electric floor polishers equipped with flat circular brushes not exceeding 10 inches in diameter, free of duty under British preferential tariff, 25 per cent ad valorem under general tariff (Item 179D3b). Similar machines equipped with flat circular brushes exceeding 10 inches in diameter, or equipped with cylindrical brushes (as prescribed), 45 per cent ad valorem under British preferential tariff (duty reduced one-quarter or value-for-duty reduced one-eighth at present rate of exchange) and 65 per cent ad valorem under general tariff (Item 176F1).

Stainless steel hoop, for all purposes, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under Item 404).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

NEW SOUTH WALES ELECTRIC APPLIANCE REGULATIONS

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, advises that a notice has been published by the Electricity Advisory Committee of New South Wales consolidating previous notices respecting the approval of prescribed electrical articles.

Nine articles, viz: electric bread toaster, electric griller, electric radiator, electric portable immersion heater, electric kettle or electric saucepan, electric jug, electric iron, electric soldering iron, earth leakage circuit-breaker, electric razor, and miniature over-current circuit-breaker, if complying with Published Specifications (known as "P.S.") of the Standards Association of Australia, are approved (a) if stamped or labelled "P.S." together with a registered guarantee number, by a person authorized by Ordinance No. 54A of June 5, 1936, as amended March 1, 1939, or (b) if stamped or labelled with an approved number or mark approved by a statutory authority in another state.

Five articles, viz: plugs and plug sockets, wall switch, apparatus connector, normal bayonet lampholder adaptor, and cord extension socket, are those to which, as an alternative to the existing procedure under (a) and (b) above, approval may be obtained if, firstly, they are stamped with a recognized trade name or trade mark; secondly, the articles in all cases comply with the Published Specifications; and thirdly, the stamping of such trade name or trade mark has been approved by the committee. The trade name or trade mark must identify a person or manufacturer to whom a registered guarantee number has been allotted.

The method of application for allotment of a registered guarantee number and for permission to use a trade name or trade mark in lieu of the letters "P.S." together with a registered guarantee number, and the prescribed fees are set out in Ordinance No. 54A (amended) and a notice dated March 24, 1939.

Agents in Australia of Canadian exporters of electrical appliances affected by these regulations will doubtless inform their principals of any alterations in the position.

A copy of the regulations may be consulted in case of need at the Department of Trade and Commerce, Ottawa.

Cyprus

REMOVAL OF WHEAT AND FLOUR RESTRICTIONS

With reference to the notice in *Commercial Intelligence Journal* No. 1858 (September 9, 1939), page 516, Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, cables that the Cyprus import restrictions on wheat and flour were removed as from September 6, 1939.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 25, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, September 25, 1939, and for the week ending Monday, September 18, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 18	Nominal Quotations in Montreal Week ending Sept. 25	Official Bank Rate
Belgium	Belga	.1001	\$.1897	\$.1879	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2137	.2138	3½
Finland	Markka	.0252	.0212	.0212	4
France	Franc	.0392	.0239	.0250	2
Great Britain	Pound	4.8666			
	Buying		4.43	4.43	4
	Selling		4.47	4.47	—
Greece	Drachma	.0130	.....	.0081	6
Holland	Guilder	.4020	.5896	.5902	3
Hungary	Pengo	.1749	.....	.3275	4
Italy	Lira	.0526	.....	.0565	4½
Yugoslavia	Dinar	.0176	.....	.0256	5
Norway	Krone	.2680	.2514	.2524	3½
Portugal	Escudo	.0442	.....	.0403	4-4½
Roumania	Leu	.0060	.....	.0083	3½
Spain	Peseta	.1930	.1121	.1121	5
Sweden	Krona	.2680	.2635	.2643	2½
Switzerland	Franc	.1930	.2512	.2503	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2060	.2156	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0239	.0250	—
Jamaica	Pound	4.8666	.....	4.4800	—
Martinique	Franc	.0392	.0239	.0250	—
Other British West Indies	Dollar	1.0138	.....	.9313	—
Argentina	Peso	.4245	.....	.....	3½
	Unofficial		.....	.2609	—
Brazil	Milreis (Paper)	.1196	.0733	.0673	—
	Unofficial		.0555	.0557	—
British Guiana	Dollar	1.0138	.....	.9313	—
Chile	Peso	.1217	.....	.0575	3-4½
	Unofficial		.....	.0444	—
Colombia	Peso	.9733	.....	.6343	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.5560	.5841	—
	Unofficial		.4328	.4385	—
South Africa	Pound	4.8666	.....	4.4700	3½
Egypt	Pound (100 Piastres)	4.9431	4.3401	4.5510	—
China (Shanghai)	Dollar	.....	.0708	.0769	—
Hongkong	Dollar	.....	.2638	.2756	—
India	Ruppee	.3650	.3149	.3344	3
Japan	Yen	.4985	.2585	.2589	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.3874	.4063	—
Straits Settlements	Dollar	.5678	.4962	.5187	—
Australia	Pound	4.8666	.....	3.5762	3
New Zealand	Pound	4.8666	.....	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

The Foreign Exchange Control Board's buying and selling rates for sterling remained unchanged during the week ended September 23 at \$4.43 and \$4.47 respectively. Likewise the board's selling quotation on United States funds continued unchanged at \$1.11. At New York intimations that the sterling official rate of \$4.02-\$4.04 would have a wider application than was previously anticipated lent strength to the "free" rate. It closed almost 18 cents higher for the week at \$4 on September 23. Neutral European currencies were mixed; belgas dropped 17 points to 18-80 cents between September 18 and 23, while Dutch florins advanced 12 points to 59-08 cents in the same interval. The Argentine peso, which is linked to the United States dollar, displayed further strength at Montreal, the free rate closing over ½ cent higher at 26-09 cents.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Onions.....	412	Port of Spain, Trinidad...	Agency.
Onions.....	413	Bridgetown, Barbados....	Purchase and Agency.
Miscellaneous—			
Eastern White Pine.....	414	Bridgetown, Barbados....	Purchase and Agency.

LIST OF PUBLICATIONS OF THE IMPERIAL ECONOMIC COMMITTEE

Report No.

I. REPORTS TO GOVERNMENTS

1. General (1925)	9d.	(10d.)
3. Fruit (1926)	4s. 6d.	(4s. 10d.)
4. Dairy Produce (1926)	1s. 0d.	(1s. 2d.)
5. Fish (1927)	6d.	(8d.)
6. Poultry and Eggs (1927).....	1s. 9d.	(1s. 2d.)
7. Honey (1927)		
8. Functions and Work of the Committee (1927).....	6d.	(7d.)
9. Tobacco (1928)	9d.	(10d.)
10. Timber (1928)	9d.	(10d.)
11. Trade in Agricultural Machinery (Survey) (1928).....	6d.	(8d.)
12. Pigs and Pig Products (1929)	6d.	(8d.)
13. Trade of the British Empire (Memorandum) (1929).....	6d.	(7d.)
14. Trade in Rubber Manufactured Goods (Survey) (1929)	6d.	(8d.)
16. Hides and Skins (1930)	6d.	(7d.)
17. Progress Report (1930)	6d.	(7d.)
18. Tea (1931)	6d.	(8d.)
19. Coffee (1931)	6d.	(8d.)
20. Wheat Situation, 1931 (Survey)	6d.	(8d.)
21. Imperial Industrial Co-operation (1932)	6d.	(7d.)
22. Cocoa (1932)	6d.	(8d.)
23. Wine (1932)	6d.	(8d.)
24. Hemp Fibres (1932)	6d.	(8d.)
26. Constitution and Work of the Committee (1932).....	6d.	(7d.)
27. Grassland Seeds (1934)	1s. 0d.	(1s. 2d.)
28. Maize (1934)	1s. 0d.	(1s. 2d.)
29. Trade in Electrical Machinery and Apparatus (1936).....	2s. 6d.	(2s. 8d.)
30. Survey of the Trade in Motor Vehicles (1936)	2s. 6d.	(2s. 9d.)
31. Tobacco (1938)	2s. 0d.	(2s. 2d.)
32. Survey of the Trade in Canned Food (1939).....	2s. 6d.	(2s. 9d.)

The fifteenth and twenty-fifth reports are confidential and have not been published; the second report is out of print.

II. SURVEYS OF WORLD PRODUCTION AND TRADE

Cattle and Beef (1934)	5s. 0d.	(5s. 6d.)
Ground Nut Products (1934)	4s. 0d.	(4s. 6d.)
Mutton and Lamb (1935)	4s. 0d.	(4s. 6d.)
World Consumption of Wool, 1928-35 (1936)	4s. 0d.	(4s. 6d.)
Apples and Pears (1938)	4s. 0d.	(4s. 6d.)

III. COMMODITY SERIES

The publications in this series, which will be revised annually, give in summary form the chief statistical data of world production and trade for the commodities concerned.

Meat	2s. 6d.	(2s. 8d.)
Fruit	2s. 6d.	(2s. 8d.)
Grain Crops	2s. 6d.	(2s. 8d.)
Industrial Fibres	2s. 6d.	(2s. 9d.)
Plantation Crops	2s. 6d.	(2s. 9d.)
Vegetable Oils and Oilseeds	2s. 6d.	(2s. 9d.)
Dairy Produce	2s. 6d.	(2s. 8d.)

IV. INTELLIGENCE SERVICES

Annual Sub. (Post Free)

1. Periodicals:—	Surface Mail	Air Mail†
*Dairy Produce Notes (Weekly)	£2 0s.	£2 14s.
*Fruit Intelligence Notes (Weekly)	£2 0s.	£2 19s.
Canned and Dried Fruit Notes (Monthly)	£1 0s.	£1 6s.‡
Weekly Arrivals of Canned Fruits and Tomato Products....		
Wool Intelligence Notes (Monthly)	£1 0s.	£1 6s.
Tobacco Intelligence (Quarterly with Monthly Supplement)....	£0 10s.	£0 15s.

* Reduced rates are applicable to producers and producers' organizations within the Empire. † To certain Empire countries only. ‡ Weekly supplement by surface mail.

Intending subscribers should apply to the Secretary, Imperial Economic Committee, 2, Queen Anne's Gate Buildings, Dartmouth Street, London, S.W. 1.

2. Annual Reviews:—

These are free to subscribers to the respective Intelligence Services. Non-subscribers can obtain copies from the addresses given below, at the prices listed.

Fruit Supplies	2s. 6d.	(2s. 10d.)
Dairy Produce Supplies	2s. 6d.	(2s. 11d.)
Supplies of Canned and Dried Fruit.....	2s. 6d.	(2s. 9d.)
Wool Production and Trade	2s. 6d.	(2s. 9d.)
World Consumption of Wool, 1938.....	2s. 6d.	(2s. 11d.)

V. MISCELLANEOUS

Annual Report (1937-38).....	6d.	(7d.)
An Index of Minor Forest Products of the Empire (1936).....	5s. 0d.	(5s. 3d.)

The Reports, Surveys, Commodity Series, and Annual Reviews, can be obtained from H.M. Stationery Office, York House, Kingsway, London W.C. 2 (and branches), or direct from the Secretary, Imperial Economic Committee, 2, Queen Anne's Gate Buildings, London, S.W. 1. All prices are net; those in parentheses include postage.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxembourg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

B. C. BUTLER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*) and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

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United States

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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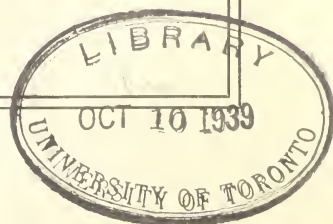
Ottawa, October 7, 1939

No. 1862



Vendors of Ice Cream manufactured from Canadian Milk Powder,
Calcutta, India

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, October 7, 1939

No. 1862

FUR MARKET IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, August 14, 1939.—Despite the mild climate of the Commonwealth of Australia, ranging from tropical in the northern part of the continent to temperate throughout the southern states, the demand for many classes of furs has shown a steady increase in the past few years. This demand has been to a large extent stimulated by world fashion and by the increased use of various types of the lighter-weight furs on costumes and for decorative ensembles.

With the exception of the States of Victoria and Tasmania and, to a lesser extent, New South Wales, where the temperatures during the winter months (May to October) vary between 30 and 60 degrees, the climate in the remaining States of Queensland, South Australia, and Western Australia is similar to Southern California, Florida, and the Southern Mediterranean.

In past years the State of Victoria has been the chief centre for imported furs of all kinds, but in the last two or three years a marked expansion has taken place, particularly in New South Wales and to some extent in southern Queensland.

TYPES OF FURS IN DEMAND

Due to the comparatively mild climatic conditions already referred to, the demand throughout the Commonwealth is primarily for the lighter-weight furs, chiefly silver fox, skunk, musquash, squirrel, Russian peschaniki opossum, and to a lesser extent ermine, red fox, cross fox, and white fox. There is a very limited sale for mink, due largely to the comparatively mild climate and high delivered price.

During the last year or two, however, expert trade opinion inclines to the belief that the import of silver fox skins has reached its peak and that this variety will not maintain its position as a higher-grade fur, tending to be displaced by the more medium-priced furs such as squirrel, musquash, and better-quality skunk.

In view also of the establishment in the leading centres, such as Melbourne and Sydney, of fur-dressing and dyeing houses fully conversant with the leading overseas methods and well equipped to handle all types of imported furs, the same wide range of dyed and novelty furs are available, while similar facilities exist for making up fashionable designs in apparel.

Considerable concern has been evinced recently in regard to the shortage of Russian peschaniki, as this type of fur has gained great popularity and appears to meet a definite need in medium-priced furs while at the same time it is quite suitable for dyeing and manufacturing.

OPPORTUNITIES FOR CANADIAN FURS

The demand for the Russian type of fur appears to offer excellent scope for Canadian supplies of a similar type, while both southern and western musquash is in steady demand, the heavier weight being required in the southern states and the lighter weight in New South Wales.

Similarly an excellent market exists for natural Canadian squirrel of good quality and medium price, as improved dyeing and dressing facilities permit of considerable expansion in the import of raw squirrel skins, which were previously imported only in the dressed state.

Direct sales of ermine, mink and, to some extent, lynx from Canada have been noted recently, with lower prices paid for good-quality skins. It is felt by the fur trade that ranch mink furs tend to produce a lighter-weight variety which would be very acceptable to Australian buyers, provided prices are comparatively reasonable.

The Canadian lynx is not well known in this territory, but its colour and quality should prove acceptable and it is hoped trial shipments will be requested in the near future.

AUSTRALIAN IMPORTS OF FURS

Australian official statistics do not itemize the various classes of furs entering Australia, but increased interest in light-weight furs in recent years is clearly shown by the following figures of imports from chief supplying countries in 1936-37 and 1937-38, which embrace all classes of furred skins other than rabbit, sheep, and goat:—

	1936-37		1937-38	
	No.	£Stg.	No.	£Stg.
Total	750,206	204,270	1,069,150	304,843
United States	349,524	84,865	604,506	111,012
Canada	29,883	69,933	56,696	102,422
Soviet Union	72,527	20,653	238,371	43,175
Norway	369	3,371	3,982	18,228
China	12,925	1,022	34,447	4,973
United Kingdom	40,053	11,049	12,529	4,412
New Zealand	5,022	717	35,175	3,108

The following figures of imports by states indicate the comparative importance of the Commonwealth distributing centres, due primarily to climatic conditions:—

	1936-37		1937-38	
	No.	£Stg.	No.	£Stg.
Victoria	456,516	163,070	923,699	259,426
New South Wales	113,541	40,877	144,530	44,666
Western Australia .....	.....	.....	870	485
Queensland	1	1	51	266

Australian imports from principal sources of supply of furs and other skins, dressed or prepared, n.e.i., were as follows in 1936-37 and 1937-38:—

	1936-37		1937-38	
	Lbs.	£Stg.	Lbs.	£Stg.
Total	118,719	115,040	117,662	89,201
United Kingdom	74,037	82,398	78,834	61,078
Soviet Union	32,194	22,344	26,043	16,663
Canada	2,872	2,902	2,163	4,364
United States	2,055	1,741	1,303	2,030
France	1,099	1,850	757	1,222

Imports of the foregoing by states were as follows:—

	1936-37		1937-38	
	Lbs.	£Stg.	Lbs.	£Stg.
Victoria	88,800	94,065	89,904	71,676
New South Wales	28,909	20,503	27,419	17,178
Western Australia	17	36	269	154
South Australia	873	426	62	127
Tasmania	1	1	8	66
Queensland	119	9	.....	.....

The foregoing tables show the marked increase in the imports into Australia of raw skins for dyeing and dressing, whereas a marked decline is shown in the imports of dressed or prepared furs during the same period. The increased demand, however, for new fashions and novelty furs will, it is considered by

leading furriers, continue to offer a valuable market for dressed furs and apparel from overseas fur centres.

SOURCES OF SUPPLY

Purchases of fine ranch furs in past years have been largely through United Kingdom firms, chiefly London fur exporters with whom Australian buyers have maintained close contact and who have been in a position to supply a wide range of furs of Scandinavian, Russian, and Canadian origin. In addition, representatives of continental firms have visited the Australian market at regular intervals and have made a careful study of Australian demand, requirements, and quality.

Leading buyers in Australia, therefore, have been somewhat reluctant to import direct from Canada, being in many cases unfamiliar with the method of selection, grading, and delivery.

The present disturbed world conditions, however, plus increased knowledge and interest on the part of Canadian export fur houses, have tended to focus greater attention on Canadian possibilities, and it is therefore considered that a careful study by reliable Canadian exporters of the Australian market would be well repaid and result in a marked increase in direct sales to the Commonwealth of the various classes of furs mentioned in the foregoing comments.

PREFERENTIAL DUTIES APPLICABLE TO CANADA

Raw furs of all kinds are admissible under "unspecified" items, free of duty but subject to 5 per cent primage, applicable to all countries.

Furs and other skins and articles made thereof are dutiable as follows:—

Apparel or attire or other article in part or wholly made up, including furs or other skins sewn together, parts of furs or other skins sewn together, fur trimmings and imitation fur tails:		
British preferential tariff	ad val.	45 per cent
Intermediate tariff	ad val.	65 per cent
General tariff	ad val.	75 per cent
Plus primage duty:		
British preferential tariff		5 per cent
Otherwise		10 per cent
Fur and other skins n.e.i. (except rabbit skins) dressed or prepared for making up:		
British preferential tariff	ad val.	10 per cent
Intermediate tariff	ad val.	25 per cent
General tariff	ad val.	30 per cent
Plus primage duty:		
British preferential tariff		10 per cent
Otherwise		10 per cent

British preferential rates are applicable to Canada.

SHIPPING FACILITIES

There are shipping facilities from both Eastern and Western Canadian ports to the main distributing centres in Australia (Sydney and Melbourne), deliveries taking approximately five to six weeks from Eastern Canada and three weeks from British Columbia. It should be borne in mind, however, that shipments are subject to tropical conditions en route, and every care should be exercised in packing of fur skins.

Shipments are received in both baled and boxed form, skins being wrapped usually in heavy oiled or waxed paper and outer covers of sound hessian bags. Safe preservatives are usually added, mostly in the form of naphthalene, which should, however, be sparingly used in fur subject to dryness, such as skunk.

Present freight rates are approximately \$25 per 40 cubic feet ex Atlantic and Pacific ports, or a charge of 3 cents per pound if a shipment of prepared furs or apparel requires shipping in cold storage.

TERMS OF PAYMENT

Payment is usually effected on a basis of cash against documents with reliable houses, although in some cases where established connections have been arranged a revolving letter of credit is established through London, New York, or Montreal. The leading banks in the Commonwealth all have established relations with Canadian chartered banks, and no difficulty is experienced in the transmission of funds. Quotations are preferred in sterling, although the exchange rate on Canadian funds can readily be ascertained.

Credit reports on Australian fur houses are also readily obtainable through established credit organizations, and confidential bank reports may be obtained through the Canadian Trade Commissioners in both Sydney and Melbourne.

It is suggested that Canadian firms quoting Australian houses should in the first instance indicate on what basis the grading of furs is carried out, as Australian houses, generally speaking, are more familiar with London standards of quality than with Canadian or United States.

It is further suggested that, in order to establish mutual confidence, sample skins be submitted as an average of quality to be expected in regular shipments.

A list of the leading fur importers in Melbourne and Sydney is on file at the Department of Trade and Commerce, Ottawa, and may be obtained upon application, quoting file No. 11192-5.

TRADE OF NEW ZEALAND, JANUARY-MARCH

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Auckland, July 19, 1939.—Preliminary statistics of the trade of New Zealand for the first three months of 1939 showed a decrease in total trade amounting to \$6,130,184 as compared with figures for the same period of 1938, the respective totals being \$135,757,516 and \$141,887,700. Imports at \$55,494,672 were \$4,054,968 less than in the corresponding period of the year before (\$59,549,640), and exports at \$80,262,844 were \$2,075,216 less than in the first quarter of 1938 (\$82,338,060), so that the favourable balance of trade was \$24,768,172 as compared with \$22,788,420 in the first quarter of 1938.

EXPORTS

Roughly 85 per cent of New Zealand's exports for the quarter was destined for Empire countries. Shipments to the United Kingdom were valued at \$64,172,236, a decrease of \$3,916,040 compared with the same period of 1938. Purchases by Australia, the most important overseas customer apart from the United Kingdom, amounted to \$2,617,740 as compared with \$2,702,084 for the first three months of 1938. Other declines occurred in the cases of shipments to: Canada, \$1,218,964 (\$2,053,104); Germany, \$871,528 (\$2,090,264); Japan, \$897,252 (\$1,181,336); and Africa, \$137,152 (\$579,848).

The largest increase was in shipments to the United States, totalling \$2,377,372 as compared with \$985,632 in 1938. The statistics further indicate that exports to Empire countries declined by \$4,652,608, while those to foreign countries increased by \$2,625,240.

A decline in the value of butter and wool shipments was largely responsible for the lower export returns, as most of the other leading export commodities maintained or improved their positions. The value of butter exports fell by \$2,531,724 to \$20,600,608; wool shipments increased in quantity from 381,593 bales to 397,533 bales, but the value fell from \$23,750,240 to \$22,794,632. The value of frozen lamb exports rose by \$216,404 to \$13,310,284, cheese by \$869,012 to \$6,962,828, frozen pork by \$215,240 to \$2,668,968, frozen beef by \$541,564 to

\$1,138,616, chilled beef by \$146,160 to \$1,032,396, dried milk by \$104,480 to \$394,640, and apples by \$125,048 to \$258,228.

There is no guaranteed price for wool in New Zealand as there is for butter and cheese, so that the fall in export prices is immediately reflected in a decline in the purchasing power of wool producers.

IMPORTS

Empire countries supplied 75 per cent of New Zealand's imports during the first quarter of the year as compared with 73 per cent for the same period of 1938. Of the ten leading suppliers, only three—Canada, Netherlands East Indies, and Germany—shipped more to New Zealand in the first quarter of 1939 than in the first quarter of 1938. The United Kingdom continued to be the chief supplier with 47 per cent of the trade, shipments therefrom being valued at \$26,514,660 (\$29,058,704 in 1938). For the first time in history Canada occupied second place with shipments worth \$6,570,000, representing 11·8 per cent of total imports. This compares with fourth position at the same time one year earlier, when Canada supplied only 7 per cent of total imports. Australia occupied third place with shipments valued at \$5,870,084 in the first three months of 1939, followed by the United States (\$5,628,500), the Netherlands East Indies (\$2,863,556), Germany (\$1,196,564), and Japan (\$1,125,600).

Preliminary information is so incomplete that except in the case of Canada it is impossible to tell which commodities went to make up these totals. In the following summary only the principal items, or those of particular interest to Canada, are referred to, the values shown being for the first three months of 1939 and the corresponding period of 1938.

Principal Imports into New Zealand

	Jan.-Mar., 1939	Jan.-Mar., 1938
Total imports	\$55,494,672	\$59,549,640
Fish	335,744	240,304
Wheat	559,652	1,589,984
Salt	111,536	93,580
Gin	107,964	119,036
Whisky	392,548	328,736
Cigarettes	406,456	495,926
Hats, caps, millinery	228,120	263,084
Hosiery	392,356	465,760
Apparel n.e.i.	2,067,196	2,723,372
Boots, shoes and slippers	771,348	750,464
Carpets, matting, linoleum	832,776	785,876
Cotton piece-goods	1,585,104	1,760,648
Silk and artificial silk piece-goods	985,684	1,027,340
Woollen piece-goods	1,076,676	1,219,908
Motor spirits	2,086,256	2,466,264
Paints, colours, varnishes	425,660	468,804
Iron and steel—		
Bar bolt and rod	502,008	486,324
Galvanized plate and sheet	727,156	452,888
Tubes, pipes and fittings	766,688	667,120
Railway and tramway plant	1,179,488	997,104
Tools and implements, artificers'	311,964	361,336
Fencing wire, plain	196,360	281,198
Hardware, cutlery and metal manufactures		
n.e.i.	835,504	894,716
Electrical machinery and equipment	3,031,980	2,864,200
Wireless apparatus	318,004	486,804
Tractors and parts	831,536	818,920
Typewriters	73,488	81,436
Sawn timber	513,028	424,952
Other timber	447,592	194,744
Printing paper (newsprint)	396,028	255,648
Printing paper (other)	304,420	363,024
Stationery	199,076	190,748
Motor vehicles	6,157,616	6,952,660
Rubber tires for motor vehicles and motor		
cycles	1,141,784	633,016
Other materials and parts for motor vehicles	323,348	496,504

The foregoing figures indicate how well imports have been maintained in the face of the import control regulations. That the effects were not more drastic is due to the fact that import permits were issued to cover all goods on order prior to December 5, 1938.

TRADE WITH CANADA

The value of trade between Canada and New Zealand for the first quarter of 1939 was \$1,061,760 larger than for the same period of 1938, the figures being \$7,788,964 and \$6,727,204 respectively. Imports from Canada valued at \$6,570,000 were 40 per cent higher than in the 1938 period, while New Zealand exports to Canada were 38 per cent less at \$1,218,964, resulting in a balance of trade in Canada's favour of \$5,336,140. Among New Zealand exports to Canada, only beef, frozen mutton and lamb, and cattle hides showed increases as compared with the same period of 1938. The increases in the meat items are the direct result of a reduction in the Canadian tariff against certain New Zealand meats. Exports of frozen lamb and mutton during the period under review were valued at \$82,868, whereas there were none during the same period of 1938. Beef exports were valued at \$4,380 as compared with none the year before, while cattle hides increased in value from \$5,728 to \$54,464. On the other hand, Canada purchased no New Zealand butter in the first quarter of 1939 as compared with 162 tons valued at \$670,424 in the first quarter of 1938. Other decreases were recorded for sheepskins with wool, which fell by \$75,224 to \$4,644, calfskins by \$57,016 to \$32,452, and apples by \$97,036, there being no shipments in the first quarter of this year.

NOTES ON THE PRINCIPAL IMPORTS FROM CANADA

Although the import control regulations were gazetted on December 5, 1938, they did not restrict the importation of products on order prior to that time. As a result the trade volume was only very slightly affected. Previous reports have dealt in detail with the effect of the restrictions on specific commodities, and this information will not be repeated in this report.

Tinned Fish.—1939, \$186,224; 1938, \$128,048.

Canned salmon comprises the bulk of the fish brought in under this heading. Imports from Canada have shown a steady improvement for some time, but will decline in future as a result of the import control measures.

Wheat.—1939, \$58,484; 1938, \$39,996.

The Government is the only authorized importer of wheat into New Zealand. As it is endeavouring to expand the local production of wheat, it does not encourage importation except to supplement domestic production. Canadian varieties are in demand for blending purposes.

Jellies, Concentrated.—1939, \$1,548; 1938, \$16,784.

The decline indicated by the foregoing figures does not reflect a decreased demand for Canadian jellies. Heavy stocks at the end of the year resulted in smaller purchases during the quarter under review. The restriction regulations have affected the opportunities for further importations, and plans are under way to manufacture locally from ingredients imported from Canada.

Provisions n.e.i.—1939, \$58,848; 1938, \$30,232.

Canned goods from Canada have been meeting with a very favourable reception in New Zealand for some time, and under normal trading conditions a steady expansion may be anticipated. The import regulations will have a serious effect on this trade, however, and considerable reductions may be expected. The importation of certain lines is now in the hands of the Internal Marketing Department, which is empowered to purchase from overseas if it is considered that the local stock position warrants such action.

Hats, Caps, and Millinery.—1939, \$13,964; 1938, \$22,256.

An increase in customs duties in March, 1938, checked the trade under this heading and is chiefly responsible for the slight decline. Import control will probably result in a cessation of imports.

Hat Hoods, Unblocked.—1939, \$19,244; 1938, \$16,144.

An increase in imports under this heading should compensate in part for the business that will be lost in finished hats. Products in demand by local manufacturers are not being hampered to the same extent as made-up goods from abroad.

Hosiery.—1939, \$47,116; 1938, \$110,476.

Canadian hosiery shipments to New Zealand consist almost entirely of women's full-fashioned silk hose. The local industry has expanded rapidly in recent years and at the present time could probably meet the entire local demand if three eight-hour shifts were worked every day instead of two as at present. A complete range of weights and styles might not be available, but imports have been prohibited entirely for the second six months of this year, and purchasers will be limited to those weights that are produced locally.

Apparel n.e.i.—1939, \$124,440; 1938, \$121,844.

Canadian business under this heading showed an increase during the period, while the value of imports from all sources combined fell from \$2,723,372 to \$2,067,196. Women's dresses comprise the bulk of Canadian merchandise imported, although a large number of other items have been included in recent years. There is an extensive local industry manufacturing apparel, and the import control measures have prohibited all imports under this heading for the second six months of the year. It will probably be one of the last lines to be re-admitted if the restrictions are lifted in the future.

Gum Boots.—1939, \$176,120; 1938, \$154,724.

Canada has long been the leading supplier of rubber boots to this market, where there is a high per capita demand. The import control regulations restrict Canadian imports for the second six months of the year to 50 per cent of the business done during the corresponding period of 1938. Imports from the United Kingdom are being allowed up to 100 per cent of 1938 imports, although the restrictions will probably be extended to include that country as well if present plans to manufacture gum boots within the country are completed.

Leather Footwear.—1939, \$84,140; 1938, \$26,232.

Larger imports under this heading are a reflection of the pronounced increase in the interest in Canadian leather shoe types. Import restrictions for the second six months of the year prohibit the line entirely.

Rubber Footwear.—1939, \$54,460; 1938, \$30,544.

Under normal circumstances Canada supplies the bulk of the rubber-soled canvas shoes sold in this country. A local factory is now under construction and, in anticipation of its production, imports from overseas have been restricted. It is stated that the local factory will manufacture the cheaper types of shoes, which previously came from Japan.

Silk and Artificial Silk Textiles.—1939, \$34,240; 1938, \$6,084.

The increased demand for silk and artificial silk textiles reflects the growing popularity of American-type patterns. Canadian ready-made dresses have been exceedingly popular in New Zealand for some time, and the local factories, in an attempt to copy them, have shown a greater interest in Canadian materials. The import restrictions will adversely affect the purchase of Canadian silks for over-the-counter sales, but this should be compensated for to some extent by increased sales to local manufacturers.

Electric Motors.—1939, \$32,092; 1938, \$30,520.

Canadian fractional horse-power motors are in good demand in New Zealand, and the expansion of local manufacturing has created a wider interest in capital equipment of this kind. The regulations do not restrict the importation of electric motors.

Washing Machines.—1939, \$94,836; 1938, \$73,912.

Despite a slight increase on March 1, 1938, in the New Zealand tariff against Canadian washing machines, shipments to this market continued the regular expansion which began some years ago. The import restrictions have prohibited this line entirely for the second six months of the year, and it is now planned to manufacture washing machines in New Zealand from parts imported from Canada. The net result, however, is bound to be an immediate decline in importations under this heading.

Timber, Rough Sawn.—1939, \$47,704; 1938, \$47,576.

Imports of Canadian timber have been well maintained. During the period under review imports of rough sawn Douglas fir were valued at \$35,736 as compared with \$41,736 for the corresponding period of 1938. Imports of other kinds, chiefly Western red cedar, increased in value to \$11,968 from \$5,840. The willingness of the Government to consider Western red cedar in the government housing contracts should stimulate the sale of this variety.

Cardboard.—1939, \$84,304; 1938, \$46,804.

Although this business showed a satisfactory increase in the first quarter of the year as compared with the corresponding period of 1938, prospects are not encouraging, as the Government has restricted imports from abroad to protect a local industry recently established. It is probable that as time goes on the scope of the restrictions will be increased.

Newsprint.—1939, \$252,128; 1938, \$145,692.

This large increase in newsprint purchases is a reflection of the changed stock position and does not indicate an increased demand. Over 80 per cent of the total imports under this heading are of Canadian origin and, as the item is not restricted, shipments should be well maintained.

Wrapping Paper.—1939, \$44,000; 1938, \$25,128.

Although substantial increases are recorded in the above figures, the import restrictions now in force indicate that there will be a considerable decline in future shipments. Local manufacturing facilities are being expanded, and as time goes on the share of imports in the total trade will decline.

Motor Vehicles other than Buses, c.k.d.—1939, \$2,440,016; 1938, \$1,532,720.

This is the largest individual item from Canada. Imports therefrom increased at a time when total imports declined, as a result of one of the large international manufacturers transferring their New Zealand business from their American to their Canadian factory. Motor cars were not restricted during the first six months of the year, but imports for the second half will be reduced by 40 per cent as compared with the same period of 1938.

Lorries, Trucks, Vans and Buses, and Chassis for, c.k.d.—1939, \$698,040; 1938, \$758,976.

This item, along with the preceding, accounted for 47 per cent of the imports from Canada into this market. If automobile tires are included, the percentage is increased to 57 per cent, a striking illustration of the importance of the motor car in Canadian trade with this market.

Pneumatic Rubber Tires and Inner Tubes therefor.—1939, \$588,752; 1938, \$274,356.

The heavy increase as compared with the 1938 period does not indicate an increase in demand but simply reflects a change in the stock position. In the past Canada and the United Kingdom split the tire business almost equally between them, although the import restrictions will check the flow from Canada in 1939 by limiting imports to 55 per cent of the 1938 business, while tires from the United Kingdom are admitted up to 100 per cent.

MARKET FOR COOKING EQUIPMENT IN TRINIDAD AND BRITISH GUIANA

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Trinidad

Port of Spain, Trinidad, August 5, 1939.—The Dutch stove or "coal pot"—a shallow iron pot for burning charcoal—is commonly used in Trinidad for cooking purposes by all classes. Its initial cost is small, about 50 cents to \$1.50, while a 60- to 70-pound rice bag of charcoal, costing about 60 cents, is sufficient fuel for from one to two weeks.

For several years the demand for something more elaborate than the coal pot has been met by small iron stoves or cooking ranges, the established brands being the Bonnybridge and the Caledonian Dover, imported from the United Kingdom and retailed in a number of sizes at prices ranging from \$15 to \$29. The f.o.b. factory cost of the latter brand is about 37s. (\$8.94), for the smallest size imported, up to 77s. (\$18.48) for the largest size. They are all built on the same style, with a wood-burning grate at one end, surmounted by two stove lids, and an oven above which are usually three lids for surface cooking. It is the simplest possible type of wood-burning iron stove.

The stove continues to sell steadily, although since 1937 some 500 of them in Trinidad have been refitted with a range oil-burning device costing about \$30 complete. Range oil costs about 15 cents a gallon in 42-gallon drums.

OIL STOVES

Since the cost of kerosene has been reduced to 24 cents a gallon, the sale of low-priced oil stoves has been increasing. The common type is a two- or

three-burner table model, among the lowest priced being a wickless three-burner imported from the United States and retailed at \$9 and \$10. Oil stoves with leg supports, of either two or three burners, also imported from the United States, retail at from \$18.65 to \$25.75. These are fitted with the usual asbestos wick. Although the United States is the main source of supply, there have been a number of oil stoves imported from Germany.

As no official customs statistics covering this item are available, no accurate figure can be given for the number of oil stoves imported, but on the basis of estimates submitted by distributors the sales in Trinidad average between 125 and 150 per month.

Larger types of oil ranges are available, but prices are too high for the general market.

Most of the oil stoves can be purchased on deferred payment terms.

GASOLENE STOVES AND ELECTRIC HOTPLATES

A certain number of gasolene stoves—table models and ranges—are also being sold on this market, but sales are limited in comparison with those of oil-fired equipment.

There is a market in Trinidad for electric hotplates among the 8,000 local electricity consumers who are in a position to purchase such products. Electricity rates are high—about 20 cents per unit for the first 20 units and 15 cents for the second 20 units, with a minimum fixed charge of 50 cents per 1,000 square feet of floor area. The use of electricity for cooking purposes, except by hotplates, is thus discouraged by the Trinidad Electricity Board until such time as they are able to supply the volume of current necessary for the widespread use of large electrical cookers. Most of the electrical hotplates are imported from the United States. Single plates are wired for 110 volts a.c., 60 cycles, single phase, but the Electricity Board requires any device with more than one element to be equipped to operate on a 230-115 volt 3-wire supply.

Wood-burning stoves and coal pots are sold in all hardwood stores, oil stoves are sold in all types of stores, while electrical appliances are purchased usually from three or four well-known retailers. With the exception of the iron stoves and coal pots, which are obtained from the United Kingdom, the bulk of the other cooking appliances are imported from the United States, supplemented by imports from Germany and to a lesser extent from Japan.

British Guiana

Three hundred to four hundred wood-burning ranges or stoves are imported each year into British Guiana, where the coal pot and low-priced range is as common as in Trinidad.

The high cost of kerosene, which is subject to a duty of 32½ cents per gallon, does not encourage the use of oil-burning equipment. Two sugar estates, however, are manufacturing a fuel called "alcolene," which retails at 6 cents per pint, and this is used for boiling water, etc., on wickless stoves obtained from the United Kingdom and Germany. The retail price of the stoves is from 36 cents to \$1.44. A few pressure oil stoves of Swedish origin are being used, chiefly by those travelling into the interior, but, as a result of an intensive sales campaign, a Canadian make has become prominent on the British Guiana market.

ELECTRICAL EQUIPMENT

In Georgetown, the main urban centre, where electricity rates are lower than in Trinidad, householders are gradually turning to the use of electricity for cooking purposes. Abundant supplies of cheap wood fuel, as well as a lack of enthusiasm for electrical methods on the part of the domestic servants, who

do most of the cooking, tend to curtail interest in the adoption of modern appliances.

Canada is next in importance to the United Kingdom as the main source of supply of cooking equipment. Coal pots and wood-burning ranges are imported almost entirely from the latter source.

ECONOMIC MEASURES IN NORTHERN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Belfast, September 20, 1939.—Many schemes affecting the commercial life of Ulster are being put into operation and developed to meet the changed conditions imposed by war. These schemes have been somewhat hastily formulated by the Government, and officials state that they will be subject to considerable change in detail as time goes on.

Public expenditure is to be considerably curtailed, but essential works, such as the Bann Drainage Scheme, are to be duly completed. The cost of living appears to be increasing fast despite government efforts to control it, and therefore it is the Government's desire to obviate discontent by keeping rates and taxes down to a minimum. The Ministry of Agriculture plans to have an additional 250,000 acres under crop in Ulster during the coming season. Wheat, flax, oats, potatoes, and barley are the crops required. Wide powers with regard to compulsory production and conservation have been given to the Ministry by the Cultivation of Lands (Northern Ireland) Order. Stocks of cereals and their products of over 50 tons have been requisitioned from merchants and millers, and imports will also be taken over. Millers may make only straight-run flour, except with permission, and existing contracts must be met at a fixed price. Flax, tow, and their yarns have been strictly controlled both as to supply and price, but spinning and weaving of present stocks will continue, and dealings in undressed flax and flax yarns subject to fixed prices, will be permitted for filling government and civil contracts.

CONTROL OF IMPORTS

Imports have been strictly controlled, and a great variety of goods has been made subject to import licences by Board of Trade Order. Many of these goods on the schedule are listed as being affected by a "no licences at present" restriction. Exports of all but foodstuffs and war necessities are being encouraged in order to preserve the economic strength of the Government.

Under the War Risks Insurance Act, the Board of Trade compels the insurance of stocks of goods over £1,000 in value against King's enemy risk, and also the insurance of cargoes. This is being passed on to purchasers in most cases by increase in prices. In connection with a request from a Canadian importer for an explanation of the surcharge on his account, the Trade Commissioner's office was given a leaflet of the Irish Linen Merchants' Association dated the 8th instant, wherein it is stated that:—

A meeting of the manufacturing and merchant branches of the Irish linen trade was held to-day to consider the position arising from the outbreak of war, all existing contracts being thereby affected, and from the regulations which involve the compulsory insurance of stocks and the consequent increase of costs at all stages of production.

It was unanimously agreed that for the present it would be necessary to make an additional charge of 6 per cent net to all goods invoiced, as from this date.

This is based on the position at the moment and will naturally be subject to revision either upward or downward in the light of further developments.

A Bill to check profiteering is shortly to be introduced by the Government. Petrol is now being strictly rationed, and many cars are likely to be laid up for the winter in consequence and because of the danger of driving at night in the black-out.

SUMMARY OF THE TRADE OF CANADA: MONTH, EIGHT MONTHS, AND TWELVE MONTHS ENDING AUGUST, 1939

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of August 1939				Eight Months ending August 1939				Twelve Months ending August 1939			
	Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	9,487,619	938,889	2,974,966	76,095,170	8,496,356	27,680,261	118,333,766	14,468,203	40,861,310			
Animals and Animal Products.....	2,596,712	339,719	1,363,583	19,502,290	2,823,108	9,616,369	27,519,343	4,464,597	12,985,680			
Fibres, Textiles and Textile Products.....	7,558,221	3,389,345	2,409,195	60,934,547	27,882,380	20,934,511	89,801,169	40,494,376	31,840,905			
Wood, Wood Products and Paper.....	2,728,523	251,826	2,274,471	20,700,690	2,063,253	17,291,868	31,787,763	3,411,522	26,249,522			
Iron and its Products.....	15,854,053	2,299,727	13,021,373	106,041,842	13,027,822	89,375,619	155,194,859	18,633,550	131,179,841			
Non-Ferrous Metals and their Products.....	3,521,911	526,963	2,207,796	24,514,665	3,745,394	16,276,019	36,887,914	5,708,652	23,639,341			
Non-Metallic Minerals and their Products.....	11,547,988	1,303,506	8,769,881	75,846,289	8,215,327	58,515,315	119,844,967	13,232,980	91,090,641			
Chemicals and Allied Products.....	3,153,882	1,614,027	1,905,921	23,725,231	4,710,801	15,401,563	37,576,113	7,049,090	23,114,931			
Miscellaneous Commodities.....	6,265,190	1,204,849	4,396,664	34,406,324	6,072,032	24,570,127	52,731,876	8,636,989	33,433,164			
Totals Imports, 1939.....	62,708,079	10,864,871	39,383,830	441,767,448	77,036,473	279,661,776	699,677,770	116,699,959	419,894,634			
1938.....	57,026,268	10,371,781	35,263,952	449,541,032	70,628,944	254,697,709	735,659,789	129,754,792	455,301,015			
1937.....	69,965,939	13,141,731	40,162,627	522,777,508	97,165,703	319,901,672	760,085,011	141,612,017	453,424,231			
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	13,296,611	7,472,074	2,594,759	106,446,195	58,108,106	19,757,577	196,042,478	105,542,299	37,951,515			
Animals and Animal Products.....	10,801,813	6,572,874	3,292,743	82,253,841	44,699,782	28,778,509	126,066,672	71,313,293	40,825,661			
Fibres, Textiles and Textile Products.....	1,461,759	491,331	1,776,754	9,702,242	2,776,424	1,313,041	13,823,900	3,764,813	1,812,921			
Wood, Wood Products and Paper.....	24,073,799	6,681,997	14,172,227	149,694,670	29,998,265	98,490,335	226,620,448	43,223,352	151,448,944			
Iron and its Products.....	5,780,392	1,434,534	3,347,856	44,546,821	11,048,372	3,039,131	60,445,267	15,131,244	4,259,783			
Non-Ferrous Metals and their Products.....	49,349,705	7,130,907	38,174,950	228,361,463	58,461,067	134,980,157	348,425,246	88,785,744	203,505,773			
Non-Metallic Minerals and their Products.....	2,362,066	438,218	1,299,573	15,607,928	1,766,152	8,341,915	25,054,359	2,913,035	12,737,874			
Chemicals and Allied Products.....	1,377,558	444,017	397,787	15,401,962	4,103,297	6,435,077	21,505,217	6,072,032	8,842,842			
Miscellaneous Commodities.....	1,437,634	342,738	747,423	10,710,701	3,016,664	5,328,713	16,114,486	4,141,228	8,385,109			
Totals, 1939.....	109,941,277	30,397,790	61,204,142	662,725,823	214,638,729	306,464,545	1,084,700,073	340,887,090	469,312,422			
1938.....	83,468,997	26,735,540	39,601,895	541,461,553	213,462,755	183,094,098	922,705,170	369,882,029	327,531,093			
1937.....	101,471,200	35,726,662	44,122,202	728,948,534	248,181,261	325,713,991	1,147,887,125	421,107,469	491,626,248			
<i>Exports (Foreign Produce)</i>												
Totals, 1939.....	1,091,215	154,510	860,794	7,297,588	692,886	5,993,296	11,111,995	1,097,003	9,027,334			
1938.....	3,068,955	2,104,569	635,448	39,475,845	23,294,869	7,827,522	43,436,279	23,636,622	11,041,719			
1937.....	1,867,330	215,206	1,550,191	10,807,427	954,771	9,007,426	16,726,799	1,232,269	14,246,203			
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1939.....	(e) 48,324,413	(e) 19,687,429	(e) 22,681,106	(e) 228,255,963	(e) 138,294,642	(e) 32,796,065	(e) 376,134,298	(e) 225,284,104	(e) 56,645,122			
1938.....	(e) 29,511,684	(e) 18,468,328	(e) 4,973,391	(e) 131,396,366	(e) 137,128,680	(e) 93,809,149	(e) 230,481,660	(e) 203,763,859	(e) 116,728,203			
1937.....	(e) 33,372,651	(e) 22,800,137	(e) 5,509,766	(e) 216,378,393	(e) 151,970,269	(e) 14,819,745	(e) 404,528,913	(e) 280,727,721	(e) 52,448,200			

BUSINESS CONDITIONS IN INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to 36 cents Canadian)

Calcutta, August 28, 1939.—Business conditions throughout India are much less satisfactory than they were commonly expected to be. In a report published in *Commercial Intelligence Journal* No. 1825 (April 1, 1939) it was suggested that various internal and external influences might tend towards a recovery from the dull times which have now been experienced for practically two years, but the net effect of these has been very limited and the present situation lacks any features of outstanding interest or promise.

The life of the Central Legislature has recently been extended for a further year, presumably on account of the disturbed political conditions and possibly also on account of the possibility of federation materializing in the comparatively early future. A split occurred in the ranks of the Congress party in the early part of the present year and has resulted in the formation of a new and independent political group, ostensibly within the existing party but in practice opposed to many of its policies.

Madras Presidency has enforced a modified form of prohibition for some time past and its example has now been followed by Bombay. As from August 1, the laws in Bombay Presidency prohibit the sale of intoxicating liquors except on medical grounds and with the exception also that bona-fide Europeans or other foreigners temporarily resident in the province may purchase and consume limited quantities under licence. The loss in revenue occasioned by this step, both to the Central Government and to Bombay itself, is very large, and the Bombay Government is attempting to compensate for this loss and for the cost of enforcement by new property taxes.

AGRICULTURE

A summary of final and supplementary crop forecasts for the 1938-39 season indicates that the outturn of all the principal crops will be considerably below 1937-38 figures. With the one exception of castor-seed, for which the crop is expected to be 107 per cent of last year's output, the percentages of the 1938-39 crop as compared with 1937-38 range from 97 in the case of linseed down to 76 in that of sugar-cane. The wheat crop is expected to be 92 per cent of the yield in 1937-38; rape and mustard seed, 90 per cent; cotton, 89 per cent; rice, 88 per cent; groundnuts, 86.5 per cent; and sesamum, 85 per cent.

INDUSTRY

Official information regarding industrial conditions in India for any given period is not generally available for several months after the close of that period nor are returns for various industries issued simultaneously. The following comments on industrial production must accordingly be accepted as applying generally to the first four or five months of the current calendar year.

The cotton industry, both in Bombay and Calcutta, is passing through difficult times. Production of cotton fabrics has been considerably below the levels of the early months of 1938, while imports have been above normal. Exports of raw cotton have quite naturally shown a substantial increase.

Bengal's jute trade continues to suffer from reckless over-production and price cutting. The industry benefited by a large government order for sand-bags, but hopes of further similar business have not been realized. Current output is far below figures for the first half of 1938, whereas stocks on hand are greatly in excess of records for many years past. Exports have been maintained at normal levels.

The iron and steel trade reports reasonably satisfactory conditions. Pig iron output is well in advance of 1938 records, steel ingot production is being

maintained, while finished steel shows a considerable increase over last year's totals. Imports of iron and steel have shown an increase in comparison with the early months of last year and exports both of pig iron and of other forms of iron and steel are higher.

Sugar production has remained at normal levels but imports have increased and stocks at all ports but Bombay are now above normal. Coal production has been average, with exports well above 1938 figures. Tea output and exports are both slightly lower than in 1938, although stocks in London are higher than at the same time last year. Other leading industries such as cement, paper, and flour milling report few changes of importance from their position during the corresponding period of 1938.

PRICES

The index numbers of wholesale prices in Calcutta and Bombay remained remarkably steady during the fiscal year 1938-39. During the last few months, however, prices have shown a distinct tendency to increase. This has been particularly apparent in the case of foodstuffs and raw cotton.

FOREIGN TRADE

Returns of India's foreign trade up to the end of June indicate considerable expansion both in import and export business as compared with the same period of 1938. For the three months April to June imports were valued at Rs.429,076,683 as compared with Rs.378,762,584 for the same quarter of 1938. In the case of exports the respective figures were Rs.440,227,036 and Rs.374,015,368. The trend is much more favourable than that of a year ago. Although imports have increased to almost the same extent as exports, there has been a slight gain in the favourable trade balance.

Increased import values have resulted principally from abnormally large purchases of Burma rice, although there has also been a substantial increase in India's imports of foreign wheat. Imports of wheat from April to June amounted to 28,562 tons as against 56 tons during the same period in 1938. This trend was based on the prospect that the crop would be considerably below normal (see above). Imports of sugar, dyes, miscellaneous yarns, cotton manufactures, and chemicals have also contributed to the general rise in the value of imports. The only notable decrease has been in the case of raw cotton.

Export values have shown an improvement over 1938 figures for practically every important group of raw materials and semi- or fully-manufactured goods. There would have been a large increase in exports if it had not been for decreased shipments of food, drink, and tobacco. In keeping with the increase in wheat imports, export trade in this commodity fell off by almost Rs.10,000,000 as between the April-June period of 1938 and 1939. Tea, tobacco, and several other articles also contributed to the decline in export trade in this group of commodities.

Trade by countries from April to June has been featured by large increases in imports from Burma and Japan and declines in purchases from Kenya and Iran. Exports to European countries have fallen off to a marked extent but the reduced buying of these markets has been offset by a phenomenal increase in the sale of Indian goods to China and a smaller, but nevertheless important, improvement in shipments to the United States. The increase in exports to China during the period April to June over the same months of 1938 is recorded in Indian returns as Rs.41,805,164, or no less than 72 per cent of the total increase for all countries.

Recent trade between India and Canada has shown a general improvement. Exports of Indian products to the Canadian market during April-June were valued at Rs.4,431,654 as compared with Rs.2,741,390 in 1938. Imports of Canadian goods showed a smaller but still significant increase from Rs.2,014,293 to Rs.2,324,361.

MARKET FOR CHEESE IN BRITISH MALAYA

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

Singapore, July 22, 1939.—The possibilities for the introduction of Canadian cheese into British Malaya must be considered as slight, owing to the limited number of consumers and the climatic conditions which restrict sales to outlets with cold storage accommodation.

Out of Malaya's 5,000,000 people, over 2,000,000 are Chinese, 2,000,000 native Malays, 750,000 British Indians, 60,000 other Orientals, 25,000 Europeans, and some 18,000 Eurasians. The maximum estimate of the potential buying group for cheese of any kind is not over 60,000, and even this figure is probably high. These buyers have as provision suppliers one chain of depots with cold storage accommodation, a few departmental stores with provision departments, and the limited number of Chinese retail stores equipped with refrigeration. Buyers interested in semi-perishable provision sundries such as cheese must obtain supplies through this limited group of outlets, since only these are able to protect supplies from deterioration by heat.

CONSUMPTION

Total annual consumption of cheese in Malaya is in the vicinity of 170 tons with a value of about Can.\$85,000. Following are figures of imports by countries of origin for the years 1936, 1937, and 1938:—

Imports of Cheese into British Malaya

	1936		1937		1938	
	Cwts.	Straits \$	Cwts.	Straits \$	Cwts.	Straits \$
Australia.. . . .	1,469	47,906	2,028	73,609	1,754	68,041
United Kingdom	384	20,868	562	29,435	406	24,011
Netherlands.. . . .	513	18,979	600	20,906	594	20,846
Switzerland.. . . .	255	18,018	236	16,261	257	15,541
Italy	34	1,859	133	6,932	178	9,269
Denmark.. . . .	237	10,474	134	6,018	163	7,156
United States	49	5,932	34	4,886	68	6,614
Norway	25	242	22	804	32	1,371
Total	2,966	124,278	3,749	158,851	3,452	152,849
Canadian \$*.. . . .	@ 58 =	72,081	@ 57 =	90,545	@ 54 =	82,538

* Conversions at the average exchange rate for the year in each case.

The principal demand is for processed cheese, which is semi-resistant to heat and conveniently packed in 5-pound blocks such as the small retailer can handle.

COMPETITION

Principal competition is from two international organizations, one of which is represented by the chain of cold storage stores and the other has close connection with the Chinese stores through sales of condensed milk. One obtains supplies from Australia and, to a lesser degree, from the United Kingdom and the United States, while the second obtains supplies from Australia, the United Kingdom, Denmark, and Switzerland.

There are other importers interested in the cheese trade, but these specialize either in exclusive products for the epicure or for the several European communities. Such smaller importers customarily supply single accounts but find difficulty in making progress in the face of the long credits and extensive bill-board and newspaper advertising by the two principal distributors.

Representative quotations for processed type cheese in 5-pound blocks supplied from Australia are as follows: (a) 1s. 1d. Australian currency per pound c.i.f. Singapore; (b) 11d. sterling per pound c.i.f. & c. (5 per cent); (c) 4s. 7d. sterling per 5-pound piece c.i.f. & c. (5 per cent).

Ninety per cent of retail sales of processed type cheese are in $\frac{1}{2}$ - and 1-pound pieces cut from 5-pound blocks, the balance being sales in retail package units of 4 and 8 ounces, which are quoted at Australian 4s. and 7s. per dozen respectively c.i.f. Singapore.

Canadian manufacturers interested in this market should confine their efforts initially to the 5-pound packing, which, to be attractive, must be quoted at not more than Canadian 20 cents per pound, or preferably, 19.5 cents per pound net c.i.f. Singapore.

Shippers in Western Canada should note that a substantial saving in freight cost can be effected by following the Australian practice of shipping in open storage.

CHEDDAR CHEESE

There is a limited demand for Australian and English baby cheddars weighing 10 to 12 pounds. Supplies from Australia land at 10d. sterling per pound c.i.f. in cases holding six pieces packed with a mixture of salt and oat husks. Suppliers in the United Kingdom quote 105s. per cwt, less $2\frac{1}{2}$ per cent f.o.b., which, with carriage in chill room, land at about 125s. c.i.f.

TERMS

Terms of the trade are customarily sight draft against payment. Small importers working with individual accounts frequently grant 60 days' draft against payment, but, as the cheese on arrival is moved into cold storage chamber with the charges for buyers' accounts, documents are taken up at once.

There are a few merchant houses with frozen food departments who might consider Canadian offers if they are competitive. Interested suppliers should furnish the office of the Canadian Trade Commissioner at Singapore with net c.i.f. quotations and a small parcel of 5-pound blocks of a size to be carried in ship's refrigerator as purser's stores. Supplementary particulars are available and may be obtained on application to the Department of Trade and Commerce, Ottawa (reference file No. 12034).

ARMY PURCHASES

Ration issues for the army and air force, which include cheese, are under the control of the Royal Army Service Corps, whose supplies are obtained under contracts completed by the Director of Contracts, War Office, London. Although one contract for cheese under a certificate of urgency was recently let to an Australian supplier by the Singapore office, this did not establish a precedent, and the normal procedure of purchasing through the Director of Contracts will continue.

Suppliers interested in this business should confer with their London agents and the office of the Canadian Trade Commissioner, Canada House, Trafalgar Square.

The second victualling organization, the Navy, Army, and Air Force Institute, does not include cheese in the products handled by their Malayan establishment.

BRITISH MALAYA SUBSCRIBES TO INTERNATIONAL TEA CONVENTION

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

Singapore, July 20, 1939.—Joint action of the several Governments (Straits Settlements, Federated and Unfederated Malay States) has resulted in Malaya again joining with Netherlands India, Ceylon, and India as a subscriber to the International Tea Convention, the declared object of which is "to establish world prices which are profitable to the producer and therefore beneficial to all tea-exporting nations."

Tea production in Malaya has increased in recent years under a governmental policy directed toward wider diversification of agriculture. As early as 1930 a total of 1,200 acres were under cultivation and by December 31, 1938, this had increased to 6,158 acres. The rate of increase, however, has been advancing sharply with new estate plantings amounting to 58 acres in 1934, 350 in 1935, 424 in 1936, 788 in 1937, and 1,919 acres in 1938. Apart from estates development has been the extension of small holdings by Chinese growers, which are meeting with fair success. Records of small holdings only became available during 1938, when total acreage in this classification was estimated at 559.

PRODUCTION

Owing to the lack of production records for small holdings, statistical material is unsatisfactory. It is generally accepted, however, that production from small holdings is in the neighbourhood of 450 pounds per acre, or a present annual output of 250,000 pounds.

Recorded production from estates is given herewith for representative years since 1930:—

Year	Upland		Lowland		Total	
	Produced	Exported	Produced	Exported	Produced	Exported
			Figures in Pounds			
1930.. . . . .	.....	.....	95,040	35,730	95,040	35,730
1933..	39,440	6,990	172,449	59,952	211,889	59,942
1936..	327,796	253,308	616,970	397,074	944,766	650,382
1937..	373,767	183,026	627,304	400,026	1,001,071	583,052
1938..	507,654	292,296	709,652	455,007	1,217,306	747,303

In the interval since 1930 total production has therefore increased from 95,040 pounds to 1,467,306 pounds, of which 83 per cent is estate grown.

THE INTERNATIONAL TEA CONVENTION

Malaya's belated acceptance of the control agreement for the five-year period ending March 31, 1943, has been conditional upon approval to plant a further 10,000 acres. As 1,934 acres have been licensed for planting since April 1, 1938, Malaya is free to plant approximately 8,000 additional acres. The delay of fourteen months in continuing the agreement has resulted from the attempts to reconcile the Tea Committee's proposal that the maximum of new acreage remain at 6,000 with the representations of the United Planting Association of Malaya for permission to plant up to 15,000 additional acres.

It is anticipated that Malaya will increase her acreage to the limit, which will nominally make her self-sufficient in this product. Based on actual consumption figures for the years 1932-38, however, such limit planting will create a surplus of about 2,500,000 pounds per annum. Malaya's position with regard to tea production under the terms of this convention is therefore an anomaly. Where other producing countries require internal quotas to control export surpluses, she is a net importer. The convention, however, gives support for prices that make production in Malaya attractive and offers a prospect of a net export surplus before the termination of the agreement.

MARKET FOR WHEAT AND FLOUR IN PERU

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, August 23, 1939.—The importation of wheat plays an important part in Peruvian economy for, although the Peruvian Government has endeavoured for many years to promote wheat production, it has only been during the past few years that any appreciable results have been achieved. Even with this increase in production, importation figures have remained relatively constant; increased consumption has accompanied increased national production. Wheat is the largest single import commodity, and the appended returns of imports from the chief supplying countries, which have been converted to a bushel and dollar basis, show the quantities and values that have been imported during the past five years. Varying rates of exchange have obtained during this period, and in compiling the table the average of the rate for each calendar year has been used. As an indication of these differences the sol varied as follows: 1934, \$1 = 4.61 soles; 1935, \$1 = 4.56 soles; 1936, \$1 = 4.39 soles; 1937, \$1 = 4.32 soles; and 1938, \$1 = 4.90 soles.

Imports through the port of Callao have been indicated for each year in order to show that practically all wheat imported in any worthwhile quantity is consigned to that port and is for consumption by the three flour mills operating in Lima and Callao.

Peruvian Wheat Imports

	Bushels	Dollars
1934—		
Total	5,024,418	2,949,024
Argentina	2,718,433	1,538,410
Australia	276,574	205,391
Canada	298,108	212,607
Chile	1,167,334	877,652
United States	563,199	114,534
Not specified	759	390
Imports into Callao	4,643,511	2,942,916
1935—		
Total	5,101,495	2,908,876
Argentina	4,889,593	2,765,622
Chile	211,890	143,249
Imports into Callao	5,098,900	2,906,484
1936—		
Total	4,376,219	3,773,735
Argentina	4,155,256	3,606,069
Chile	220,945	167,653
Imports into Callao	4,372,122	3,769,350
1937—		
Total	4,466,338	5,281,164
Argentina	3,483,640	4,061,439
Australia	202,698	291,063
Chile	8,533	12,325
United States	734,801	878,081
Uruguay	36,666	38,256
Imports into Callao	4,450,636	5,260,677
1938—		
Total	4,502,529	3,090,699
Argentina	4,163,108	2,902,533
Chile	13,964	19,777
United States	55,883	34,772
Uruguay	269,573	133,616
Imports into Callao	4,389,084	3,028,848

FEATURES OF THE WHEAT TRADE

Featuring the wheat trade of Peru is a somewhat anomalous set-up. To begin with, all wheat must be bagged, as facilities do not exist for handling wheat in bulk. The largest of the three mills, and as a result the largest wheat purchaser, is the Santa Rosa Milling Company. This firm was formerly owned by Messrs. Milne & Company, an old-established British merchant firm, but Messrs. Burge, Born & Co. now have a financial interest of approximately 50

per cent. As is well known, this latter firm holds a very prominent position in the Argentine wheat trade. As a result, wheat requirements for this mill are handled by Messrs. Burge, Born & Co. through Messrs. Milne & Co.

The second largest mill is that of Messrs. Nicolini Hnos. S.A., an Italian firm who regularly request quotations from the larger merchant firms in Lima and Callao as well as from local representatives of grain exporters. The third mill, that of Messrs. Cogorno Hnos., is reported to be controlled by a local bank.

The primary consideration in the purchase of wheat for the Peruvian market is price. The quality of the bread resulting from flour milled from cheaper wheats appears to be acceptable to the population. Such Canadian wheat as has been imported in former years has been used solely for mixing purposes, and a canvass of the three aforementioned mills has always resulted in a unanimous statement that prices must be in line with those of wheat from present sources of supply. Canadian wheat would be used if it could be laid down c.i.f. Callao at competitive or even nearly competitive prices. Freights play a most important part in arriving at c.i.f. prices, and it is generally found that freight rates from Vancouver to Callao prove a stumbling block. In addition, assistance of one kind or another given by certain supplying countries has tended to maintain so great a disparity in laid-down costs in terms of Peruvian soles that, even allowing for a premium on Canadian wheats, prices have still been out of line.

DOMESTIC WHEAT PRODUCTION

Although statistical returns for the calendar year 1938 are not available as yet, it is generally known that a considerable increase occurred in domestic production as compared with 1937. During this latter year 114,273 hectares (282,365 acres) were sown as compared with 107,727 hectares (266,193 acres) in 1936. Seed used in 1937 amounted to 10,382,979 kilograms (380,709 bushels), an average of 91 kilograms (3.34 bushels) per hectare or 1.35 bushel per acre. The total quantity of wheat harvested during 1937 was 90,258,013 kilograms (3,309,460 bushels) as compared with 82,437,466 kilograms (3,022,707 bushels) in 1936. The general average was 11.72 bushels per acre. The apparent wheat consumption in Peru in 1937 was 214,136,549 kilograms (7,851,673 bushels). National production contributed 42 per cent and imported wheat 58 per cent of the total consumed.

The bulk of the wheat produced in Peru is grown in the upland or Sierra regions at elevations varying from 5,000 to 10,000 feet above sea-level. The climate is variable for, although most of the land is located in tropical or sub-tropical latitudes, the tempering effect of altitude makes possible the growth of certain soft wheat varieties. The principal markets served are those in the immediate neighbourhood of the centres of production. A certain, as yet small, amount finds its way to the Lima-Callao mills.

Although the average quantity of wheat sown throughout the country was 91 kilograms per hectare (3.3 bushels per 2.471 acres, or 1.35 bushel per acre), the average of the seed sown in the different provinces varied from 52 kilograms per hectare in the Province of Amazonas to 256 kilograms in the Province of Arequipa. Similarly production per hectare varied from 286 kilograms per hectare to 2,531 kilograms per hectare.

The following table shows the production of wheat in Peru in 1937 by provinces:—

Province	Area Acres	Seed per Acre Bushels	Total Production Bushels
Amazonas	1,527	2.0	6,719
Ancash	40,097	3.0	247,469
Apurimac	8,757	4.4	73,482
Arequipa	10,566	9.4	396,890
Ayacucho	10,306	3.8	71,972

	Area Acres	Seed per Acre Bushels	Total Production Bushels
Cajamarca	8,564	3.0	36,296
Cuzco	38,372	3.9	429,509
Huancavelica	55,397	3.3	881,573
Huánuco	13,504	3.5	79,810
Junín	67,433	2.0	886,997
Lambayeque	1,749	3.0	25,466
Libertad	20,284	3.7	103,947
Lima	2,283	3.2	18,645
Moquegue	1,154	6.8	34,275
Piura	1,856	3.7	8,207
Puno	516	4.8	8,203
	282,365	3.97	3,309,460

FLOUR PRODUCTION

The three flour mills located in Lima and Callao are grinding approximately 6,000 tons, 4,500 tons, and 1,500 tons of wheat per month respectively. The market is entirely a domestic one, and there is no export of flour. The mills themselves are modern and most up-to-date, supplying the central region of Peru with flour milled entirely at present from Argentine wheats mixed with national wheat in the ratio of about 14 per cent national. The remainder of the country is supplied by a number of small stone mills scattered throughout the country.

REGULATIONS

By decree law, millers are required to use up to 30 per cent national wheat, the price of the latter being fixed. The principal millers of the country are not in favour of this measure owing to the increased cost of the wheat mixture which, with an exchange rate of 27 soles to the pound sterling, works out at approximately 17.61 centavos per kilo for Argentine wheat, Brazil type, as against 23 centavos per kilo for Peruvian wheat. With the exception of the Amazon region, reached via Para, Brazil, domestic flour production can be said to supply practically the entire national requirements.

Then, too, a further law requires that all imported flour be mixed in bond with national-milled flour. This would require the necessary establishment and machinery for that purpose, and from the following returns, covering flour imports into Peru from the principal sources of supply for the past five years, it can readily be seen that the undertaking would hardly be feasible, particularly in view of the fact that this measure does not apply to imports effected through the Amazon port of Iquitos, which comprise practically all flour imports. Iquitos flour imports amount to approximately 15,000 barrels per year. Remarks concerning average exchange values, immediately preceding the table showing wheat imports into Peru, also apply to the values of flour imports in the following table:—

Peruvian Flour Imports

1934—	Barrels	Dollars
Total	25,645	122,530
Canada	224	1,020
Chile	8,052	27,324
United States	17,260	73,459
Uruguay	97	686
Imports into Iquitos	14,208	68,227
1935—		
Total	15,880	76,451
Brazil	19	137
Chile	165	685
United States	15,681	75,436
Imports into Iquitos	15,666	75,284

Peruvian Flour Imports—Concluded

	Barrels	Dollars
1936—		
Total	15,605	80,684
Brazil	69	810
United States	15,509	79,672
Imports into Iquitos	15,486	79,400
1937—		
Total	16,256	111,195
Germany	4	409
Argentina	1,189	6,798
Bolivia	7	176
Brazil	77	1,062
Colombia	49	579
United States	14,919	101,987
Not specified	10	180
Imports into Iquitos	15,056	103,021
1938—		
Total	21,472	115,462
Argentina	1,548	6,870
Brazil	19	177
United States	19,903	108,384
Imports into Iquitos	15,712	88,828

MARKETING CONDITIONS

Ninety-eight per cent of the flour produced by the principal mills in Lima and Callao is sold to the numerous small bakeries whose consumption ranges from 10 to 150 quintals (of 46 kilos) per day. Domestic baking of bread consumes less than 2 per cent of production. Rice is eaten by the masses in considerable quantities and is a daily article of diet. Rice, together with potatoes and corn (maize), are looked upon as competition. Rolled oats is beginning to compete in this field, and a small but rapidly growing trade in groats (imported from Chile) is developing.

As a general rule, the Peruvian millers do not carry large stocks and are generally open for quotations at almost any time, but since the quality of the flour now being produced from Argentine wheat appears to be acceptable and sufficiently satisfactory for the market's demands, the feeling is that prices paid by them for Canadian wheat would have to be in line with those now being paid for Argentine supplies. The wheat being used is Brazil type shipped from Bahia Blanca. Payment can generally be made on the basis of an irrevocable letter of credit against receipt of documents by a Canadian bank in Canada. Two of the leading Peruvian mills are regarded as being financially sound and the third is reported to operate with the backing of a local bank. Canadian types, Northern 2, 3, and 4, are of principal interest in this market. Very small quantities of Durum 1, 2, and 3 are used in the manufacture of noodles and macaroni.

As noted above, the Government of Peru has taken active steps both to foster the development of wheat growing in the country and also that of the milling industry. Through nationally sponsored publicity farmers are urged to plant more wheat, and the Department of Agriculture is carrying on experimental work in various parts of the country. The law requiring millers to pay a fixed price to the farmers for nationally grown wheat, that requiring the mixture of nationally milled flour with any that may be imported, and the requirement of the milling of a certain percentage of Peruvian wheat are examples of measures along this line. Further, the basic import duties on wheat and flour of 1.5 centavo and 5 centavos per gross kilo respectively (approximately \$Can.0.08 per bushel of wheat and \$Can.0.85 per barrel of flour), to which must be added a 6 per cent ad valorem consular fee plus other surcharges, afford a certain protection to both industries. An indication of the competitive freight situation that would have to be met in the matter of Argentine wheats is revealed by advices that wheat has recently been carried from Bahia Blanca to Callao at 13s. per ton.

There is a small market for flour in Iquitos, Peru, amounting to some 15,000 to 18,000 barrels annually. The principal competition in this market is from flour of United States origin. Shipment can be effected via the Booth Line, which operates a service from New York to Iquitos, via Para, Brazil. Peru's importation of wheat amounts roughly to some 4,500,000 bushels annually. The market is principally supplied by Argentina, and a market for Canadian wheats prevails when c.i.f. Callao quotations are competitive.

FOREIGN TRADE OF MEXICO IN 1938

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, August 1, 1939.—Compared with the preceding year, the value of the foreign trade of Mexico in 1938 showed a decline of 11·5 per cent on the basis of trade returns expressed in Mexican currency, but the real decline was considerably larger, since the Mexican peso depreciated to some extent during the year. On the basis of the dollar value of the trade the decline amounted to 29·2 per cent. This dollar value is computed at average exchange rates of 27·75 cents for 1937 and 22·2 cents in 1938 (United States currency) equal one peso.

Imports registered a proportionally greater falling off than exports, the dollar value of the former declining by 35·5 per cent as against 24·8 for exports. Exports were valued at U.S.\$186,064,000 and imports at U.S.\$109,694,000, the smallest since 1934. Purchases from the United States, which had always held, up to recently, first place in the trade of Mexico, showed a heavy decline, and of the total imports into Mexico the United States' share fell from 62·2 per cent in 1937 to 57·7 per cent in 1938, the lowest proportion of the total since 1914. On the other hand, Germany's share increased from 16·1 per cent in 1937 to 18·8 in 1938, while Great Britain's share fell from 4·7 to 4·1 per cent.

The United States increased its proportion of purchases from Mexico from 56·2 per cent to 67·4 per cent, while Germany's proportion declined from 9·4 per cent to 7·7 per cent, and that of Great Britain fell from 11 per cent to 9·4 per cent.

CANADIAN EXPORTS TO MEXICO

Mexican statistics covering the trade of Canada are incomplete, but according to the Dominion Bureau of Statistics in 1938 Canada sold to Mexico merchandise to the value of \$2,339,583 (Canadian currency) as compared with \$3,419,192 in the preceding year. This decline in exports from Canada to Mexico may wholly be accounted for by the loss on the part of Canada of the newsprint trade to Germany. In 1937 this trade amounted to 385,684 cwts. valued at \$787,235, dropping in 1938 to 1,873 cwts. valued at \$5,736.

On the other hand, engines to the value of \$222,397 were exported to Mexico from the Dominion in 1938, these being a new item, and exports of soda and compounds used in the mining industry increased in value from \$937,978 in 1937 to \$1,025,511 in 1938, although the quantities were but 20,000 cwts. more. Canadian exports to Mexico of leather and manufactures, cotton fabrics, felt, and wood-pulp, showed large declines when compared with 1937. Similarly barley, which in 1937 was exported from Canada to Mexico to the extent of 150,999 bushels valued at \$92,610, disappeared entirely from the exports in 1938. Exports of malt to Mexico also showed a falling off; 70,638 bushels valued at \$114,542 were purchased from Canada in 1937, but in 1938 only 59,524 bushels valued at \$56,181 were exported. One item of interest to Canada which shows an increase is furs, principally silver fox pelts in the raw. In 1937 exports of these were valued at \$42,552, increasing in 1938 to \$58,376.

IMPORTS FROM MEXICO INTO CANADA

According to the Dominion Bureau of Statistics figures Canada purchased from Mexico in the year 1938 goods valued at \$576,393, a decline from \$623,806 in 1937. This total was made up almost entirely of one item, fresh tomatoes, which in 1938 were imported to the extent of 18,296,184 pounds with a value of \$348,867, a slight increase over the quantities purchased in 1937 but a decrease in value; in 1937 imports were 15,772,354 pounds with a value of \$525,340. The only other items appearing in the statistics are nuts and sisal fibre. However, it must be taken into consideration that there are undoubtedly large quantities of Mexican produce which enter Canada indirectly through United States sources and being recorded as imports from the United States, adversely affect the figures of Canadian purchases from Mexico.

The possibility of improving trade between the two countries, particularly in so far as Canadian exports to Mexico are concerned, are not at the present time very bright due to the unfavourable exchange situation in Mexico. Furthermore, there are many difficulties in making shipments to Mexico from the Dominion, largely due to lack of shipping facilities, not encountered by exporters in the United States. The question of increased purchases from Mexico by Canada must rest largely with Mexican producers, the quality of whose products must meet the requirements of the higher-class Canadian market and be of a type in demand in Canada. Generally speaking, apart from some few manufactured lines other than the products already mentioned, there are few which Mexico is in a position to supply to the Canadian market, and it is apparent that there must always be visible trade balance in favour of the Dominion.

The following tables, prepared by the Mexican Bureau of Statistics, show Mexico's foreign trade by principal countries in 1938 and 1937:—

Mexican Foreign Trade by Principal Countries

	1937		1938	
	Imports	Exports Thousands of Dollars	Imports	Exports
Total..	170,317	247,638	109,694	186,064
United States	105,860	139,239	63,255	125,396
United Kingdom	7,925	27,357	4,476	17,550
Germany	27,367	23,278	20,580	14,309
Japan	2,988	2,892	1,947	797
France	5,622	5,857	4,428	4,243
Spain	715	231	471	23
Belgium	1,804	11,342	1,550	8,673
Netherlands.. . . .	1,909	7,000	1,053	3,667
Sweden	2,417	1,786	2,584	1,217
Switzerland	2,370	.....	1,756	.....
Canada.. . . .	1,839	.....	1,144	.....
Italy	1,669	1,008	2,133	1,207
Czecho-Slovakia	863	.....	611	.....

Distribution of Trade by Principal Countries

	1937		1938	
	Imports	Exports Percentages of Totals	Imports	Exports
United States	62.2	56.2	57.7	67.4
United Kingdom.. . . .	4.7	11.0	4.1	9.4
Germany	16.1	9.4	18.8	7.7
Japan.. . . .	1.8	1.1	1.8	0.4
France.. . . .	3.3	2.4	4.0	2.3
Belgium	1.1	4.6	1.4	4.7
Netherlands	1.1	2.8	1.0	2.0
Sweden	1.4	0.7	2.4	0.7
Italy	1.0	0.4	1.9	0.6

ECONOMIC CONDITIONS IN GUATEMALA

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

(One quetzal equals one United States dollar)

Mexico City, August 14, 1939.—The season's decline in business activity in Guatemala, which normally precedes the commencement of the rainy season, has this year been more pronounced than in 1938. During April and May imports are generally low, but this year have been unusually so, and in the month of June buying of foreign merchandise was largely confined to immediate requirements. Since the advent of the rainy season in the latter part of May retail sales have been very slow. In an endeavour to bolster business, many merchants held clearance sales during the month of June, but this was only a temporary remedy.

Within the past year or two there has been a noticeable increase in the number of retail shops, and, with no corresponding increase in demand, the volume of business of many long-established firms has been affected, and retail establishments in many lines are now in excess of local requirements, so that merchants as a whole complain that keen competition has seriously affected profits.

Stocks of textiles, hardware, and leather are heavy, but construction materials up to the beginning of the rainy season are reported to have been moving satisfactorily. The greater part of the purchases of material of this nature is confined to public works requirements. Reports are to the effect that sales of electrical equipment, radios, and refrigerators have been normal. Imports of certain types of iron and steel, paper, and leather formerly supplied by Germany are now reported as being supplied by the United States.

IMPORTS

The value of imports during the first five months of 1939 was approximately equal to that for the same period of 1938, the figures being 7,615,000 quetzales and 7,757,000 quetzales respectively. The high total of imports so far in 1939 is undoubtedly due to heavy purchases of British products shipped before the imposition of the double duties which became effective in January. Exports have held up well during the first five months of the current year, totalling 9,042,000 quetzales in value as compared with 9,108,000 quetzales in the corresponding period of 1938.

The outlook does not presume any improvement in retail or import buying during the next few months, but the internal conditions of the country should have a favourable reaction in the latter part of the year. Coffee prices have risen, and the crop outlook is favourable. Corn prices, which naturally affect production costs, as corn is the staple food of the peon, are low with a large crop in prospect.

EXPORTS

Exports of coffee are much in advance of those of the previous year. Since the beginning of the crop year (September 1, 1938) to June 15 of the present year a total of 955,217 quintals, as compared with 886,200 quintals in the same period of the previous year, has been shipped. (One quintal equals 101.4 pounds.)

It is estimated that the total exports during the crop year will approximate 1,000,000 quintals. On the other hand, shipments of bananas from the Atlantic producing areas have shown a decline. Total exports for the first five months of 1939 were under the figure for the same period of last year. Over 95 per cent of the bananas exported are shipped through Puerto Barrios, although small shipments are made from time to time through the ports of Livingston and

Champerico. With the exception of about 190,000 stems shipped to Germany in March and April, all banana shipments in the first part of the year were destined for the United States.

Shipments of chicle continued heavy, exports during the first five months of 1939 totalling 1,526,822 pounds, as compared with 902,702 pounds for the same period of 1938.

TARIFF CHANGES AND TRADE REGULATIONS*

United Kingdom

MODIFICATIONS IN CONTROL OF IMPORTS

With reference to the notice published in *Commercial Intelligence Journal* No. 1859 (September 16, 1939), pages 521-6, respecting the control of United Kingdom import trade, Mr. H. A. Scott, Acting Chief Canadian Trade Commissioner in the United Kingdom, cabled that the Import Licensing Department are prepared to consider applications for licences for any goods paid for prior to September 5, and that the Board of Trade issued an open general licence authorizing as from September 30 importation of certain goods if consigned from any part of British Empire except Palestine and Transjordan.

This open general licence applies to manufactures wholly or mainly wool, silk or artificial silk, excluding apparel; piece-goods of cotton or of cotton and wool, silk or artificial silk; stockings and hose of cotton; shirts; fruits; fruit juice; biscuits; meat extracts and essences; dry earth colours; brooms, brushes, and parts; buttons; appliances for sports and games except silkworm gut.

The following are among articles transferred to the category for which licences up to a limited quantity will be issued: cash registers and parts; certain dry-cleaning and laundering machines; some leather manufactures, but not including saddlery, harness, and trunks, bags and other receptacles; dry earth colours; musical instruments; dressed furs and skins.

Dead poultry and game (other than chickens and turkeys) and poultry in airtight containers are transferred to the category of goods for which import licences are for the present not being issued, i.e. the starred list as published in *Commercial Intelligence Journal* No. 1859 (September 16, 1939).

The foregoing information, being based on a cabled message, is subject to confirmation on receipt of a report amplifying the cablegram.

INCREASED DUTIES ON SUGAR, TOBACCO, SPIRITS

Mr. H. A. Scott, Acting Chief Canadian Trade Commissioner in the United Kingdom, cables that, effective September 27, the war budget of the United Kingdom increased duties on sugar by 1d. per pound. New rates for sugar of polarization exceeding 99 degrees are 17s. 6d. per cwt. preferential tariff and 23s. 4d. general tariff; former rates were 8s. 2d. and 14s. respectively. Duties on molasses, glucose, and saccharin are correspondingly increased.

Effective September 28, tobacco duties are increased 2s. per pound, making the basic rates on unstripped tobacco containing 10 per cent or more of moisture 11s. 5½d. per pound preferential tariff and 13s. 6d. per pound general tariff. Duties on spirits are increased by 10s. per proof gallon; on beers, 8d.; light wines, 2s.; and heavy wines, 4s. per gallon.

Ireland

QUALIFYING CONTENT REQUIRED FOR TARIFF PREFERENCE

While most Canadian goods which are accorded tariff preference in Ireland (Eire) are admitted to preference when attaining a 25 per cent Empire content (and complying with usual consignment regulations), the Minister for Industry and Commerce, under Section 16 of the Finance (Agreement with the United Kingdom) Act, 1938, made regulations effective January 18, 1939, increasing from 25 per cent to 50 per cent the proportion of value which must be the result of labour within either the United Kingdom or Canada to entitle bags made wholly or mainly of paper, not exceeding 8 ounces in weight, imported empty, to be admitted at the special preferential rate of 25 per cent ad valorem. The ordinary Empire preferential rate is 33½ per cent and general tariff 50 per cent. The regulations do not affect other bags manufactured in the British Commonwealth in respect of which admission is claimed at the general preferential rate of 33½ per cent ad valorem. Such bags are still entitled to admission at this rate where it is established that the Empire proportion of value is not less than 25 per cent and that the bags have been consigned from a country within the Commonwealth.

COMPULSORY ADMIXTURE OF DOMESTIC CEREALS IN MAIZE MIXTURE

Mr. James Cormack, Canadian Trade Commissioner at Dublin, writes under date August 23, 1939, that the Government of Eire has recently passed a Bill (the Agricultural Produce (Cereals) Bill, 1939) amending the various Cereals Acts passed from 1933 to date with regard to the compulsory admixture of a percentage of home-grown cereals in maize mixture and other animal feed.

In order to encourage the production of home-grown cereals it had been necessary to compel the use of surplus cereals by this admixture and by other means still in force. Since the United Kingdom-Eire Trade Agreement has been effective, agricultural conditions in Eire have changed somewhat, and the Government has now found that the compulsory addition of home-grown grain to animal feed has raised the price of the mixture, so that the cost of pig and stock production has been increased, which has resulted in a reduction in numbers. The acreage under oats and barley, too, had diminished as wheat growing increased, and these former crops were needed to keep up the quality of bacon, supplies of which are insufficient to meet the United Kingdom quota as provided for in the British food import schemes.

The recent enhanced price of Irish cattle in the United Kingdom market will now enable farmers to feed to such cattle any available surplus wheat. The new Act makes it no longer compulsory to mill and use the mixture, allows farmers to buy pure maize meal, and permits them to purchase pure whole maize and mill it on their own farms with or without admixture and without the former necessity of a licence to do so from the Minister of Agriculture. Maize must still be imported only by registered importers, but there are now no restrictions as to the quantities they may buy and sell or as to their customers.

According to the provisions of the former law, all manufacturers of compound animal feed were required to have licences, and in addition it was necessary that they attach to each sack or container a label showing the ingredients contained therein. This has now been repealed, and persons or firms who desire on and after August 1, 1939, to enter into business as dealers in oats and barley or as oatmeal millers may do so without applying, as formerly, for registration on the lists of these dealers or millers.

Australia

TARIFF AMENDMENTS, SEPTEMBER 23, 1939

Further amendments to the Australian customs tariff were announced on September 23. Particulars furnished by the Australian Customs Representative in New York, based on cabled information, include the following:—

Item 334(F) is amended from September 23 to read as follows:—

	British Preferential Tariff	General Tariff
334 (F) Paper irrespective of size or shape, but not ruled or printed, namely: coated printing paper, glazed imitation parchment, printing paper not elsewhere included in the tariff, writing and type-writing paper not including duplicating:		
(1) Rolls less than 13 inches width, and sheets less than 21 inches length or less than 16½ inches width ad val.	30%	55%
(2) Rolls not less than 13 inches width, sheets not less than 21 inches length and not less than 16½ inches width:		
(a) as prescribed by by-laws per 2,240 lbs.	Free	£4
(b) other than paper prescribed by by-laws under Item 334(F) (2) (a) per 2,240 lbs.	£3 10s.	£8

The British preferential tariff applies to imports from Canada.

By-laws under Item 334(F) (2) (a) have not yet been received.

The above classification includes the following: "paper, printing, not elsewhere included in the tariff (glazed, unglazed, mill-glazed, or coated) and glazed imitation parchment, not ruled or printed in any way, in rolls not less than 10 inches in width or in sheets not less than 20 inches by 25 inches or its equivalent," which were formerly free of duty under British preferential tariff and £4 per 2,240 pounds under general tariff, as classified under Item 334(C) (2), now omitted from the tariff.

A new tariff item (359J) will come into effect on December 7, 1940, covering "radiator assemblies when for use as original equipment of goods covered by item 359D" (i.e., motor vehicles), rates of duty to be 25s. each under British preferential tariff, 32s. 6d. each if from Canada, and 40s. each under general tariff. At present, radiator assemblies are dutiable as parts of chassis, the rates varying with the type of vehicle and whether it is unassembled or assembled. On and from December 7, 1940, radiator assemblies will not be included among the parts regarded as constituting a chassis for tariff purposes.

TARIFF DECISIONS

Recent Australian tariff decisions as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Compression ignition crude oil engines, not less than 4-cylinder, 30 h.p. to 100 h.p., for use only in the manufacture of winches for log hauling in the timber industry, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 404).

Gubinol metal, being aluminium foil lacquered and prepared to imitate gold leaf, 10 per cent ad valorem under British preferential tariff, 40 per cent ad valorem under general tariff (item 148A).

Rubber rings for cream separators, also rubber rings for use with flexible pipe joints, 40 per cent ad valorem under British preferential tariff (duty reduced one-quarter or value-for-duty reduced one-eighth at present rate of exchange), 60 per cent ad valorem under general tariff (item 374D3).

Lingerie, comprising a nightdress, brassiere, scantee and slip, the articles being of similar material and the embroidered work thereon being also similar in design and style, 30 per cent ad valorem under British preferential tariff, 65 per cent ad valorem under general tariff, rates to increase as present Australian exchange depreciation may be lessened (item 110D).

Babies' rubber pants (also known as "modesties" or "knickers"), 30 per cent ad valorem under British preferential tariff, 65 per cent under general tariff, rates to increase as present Australian exchange depreciation may be lessened (item 110D).

Bleached sulphite pulp, in board or roll form, for the manufacture only of sanitary pads and sanitary napkins, free of duty under all tariffs (by-law under item 404A).

Synthetic resins, synthetic oils, and preparations containing synthetic resins, viz: in dry form, in viscous or plastic form (as prescribed), concentrated solutions in a volatile solvent (as prescribed), for use only in the manufacture of paints, enamels and varnishes, free of duty under all tariffs (by-law under item 232E1).

Glycols and their derivatives, for use as plasticizers or solvents in connection with the manufacture of the following: cellulose lacquers, enamels, lacquered leathers, metal cleaning compounds, printing inks, shoe dressings and finishes coloured, carbon paper, tennis gut, electrolytes for electrolytic condensers, coatings for pencils and carbons, moisture-proof cellulose transparent wrapping paper, hydraulic brake fluid, dry-cleaning soap, hydrocarbons from paraffin carbons, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 415A2).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

QUEENSLAND ELECTRICAL APPLIANCE REGULATIONS

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Melbourne, Australia, has forwarded particulars of the "approvals system" now in effect in the State of Queensland regarding electrical apparatus.

It is provided that proclamations may be issued from time to time specifying any class, description, or type of electrical appliance or material which must be approved by the State Electricity Commission before being sold or hired within the state.

The Electrical Approvals Regulations, 1939, provide for the granting of approval as the result of examination and test of any article which has been proclaimed, and in this respect the commission has adopted the Standards Association of Australia Approval and Test Specifications as the examination and testing requirement. There are no special requirements in Queensland with which articles are required to conform.

Five articles have been proclaimed to be subject to the approvals regulations, and applications are now being received from Queensland firms for approval of goods of these descriptions. The articles are: electric razors, electric portable immersion heaters, electric soldering irons, electric radiators, and electric irons.

A copy of the Queensland electrical regulations may be consulted at the Department of Trade and Commerce, Ottawa.

As the Standards Association of Australia Approval and Test Specifications have been adopted also in New South Wales and Victoria, it will be seen that a common standard exists in the three states which have approvals systems in operation.

New Zealand

TRADE AGREEMENT WITH CANADA EXTENDED

The trade agreement between Canada and New Zealand, which was due to expire on September 30, 1939, has been extended until September 30, 1940. A Canadian Order in Council, No. 2900, making the extension, was passed on September 27, and the corresponding New Zealand Order was published on September 28.

This trade agreement was made in 1932 to run for a period of one year, and has since been extended from time to time with but minor amendments. The only change made on the occasion of the present renewal was that a rate of 25 per cent ad valorem accorded by the treaty to floor or carpet rugs of wool imported into Canada from New Zealand was waived, and such New Zealand rugs will now be subject to the British preferential rate of the Canadian tariff.

During the twelve months ended June 30, 1939, the value of Canada's exports to New Zealand totalled \$16,635,812, the principal commodities being automobiles, rubber manufactures, electrical apparatus, newsprint, and apparel. Imports into Canada from New Zealand totalled \$4,264,277 in value, chiefly wool, hides and skins, sausage casings, apples, rough greases, mutton and lamb, and gums.

Peru

RESTRICTION ON MACHINERY FOR TANNING INDUSTRY

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, advises that by a Peruvian decree-law of September 6, 1939, the importation of machinery used in the tanning industry and for the manufacture of shoes and leather goods into Peru without previous authority of the Government is prohibited until further notice. The reason given for the imposition of this prohibition is the present over-production in these industries.

Guatemala

TARIFF CHANGES

Guatemalan executive decree No. 2278 of August 11, effective thirty days thereafter, makes the following changes in the Guatemalan tariff rates:—

Hosiery of cotton with a mixture of artificial silk up to 49.99 per cent, plain or embroidered, raised from 2.25 to 2.50 quetzales per kilo (from \$1.02 to \$1.13 per pound); hosiery of cotton with a mixture of wool up to 49.99 per cent, plain or embroidered, raised from 1.75 to 2 quetzales per kilo (from 80 cents to 91 cents per pound); hosiery made of pure cotton, embroidered or decorated with other materials, raised from 1.25 to 1.75 quetzales per kilo (from 57 cents to 80 cents per pound); hosiery of pure cotton, plain, decorated, or embroidered with the same material, raised from 1 to 1.50 quetzales per kilo (from 45 cents to 68 cents per pound); manufactures of glass, not elsewhere specified in the tariff, with adornments, inlaid work, or parts of silvered or gilt metal, even if they are decorated with paint, enamel, or compositions, raised from 0.15 to 1.50 quetzales per kilo (from 7 cents to 68 cents per pound); manufactures of glass, not elsewhere specified in the tariff, with adornments, inlaid work, or parts of ordinary metals or materials not otherwise provided for, even if decorated with paint, enamel, or compositions, reduced from 1 to 0.30 quetzal per kilo (from 45 cents to 14 cents per pound).

The same decree provides a specific classification for glasses (tumblers) of all kinds, without adornment, inlaid work, or metal parts, even if decorated with paint, enamel, or compositions. These were formerly classed with unspecified manufactures of glass. The duty-rate remains unchanged at 0.10 quetzal per kilo ($4\frac{1}{2}$ cents per pound).

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 49, Hamilton District, twenty-four 110-kv. single-phase potential transformers (tenders close November 14, 1939); Section 53, Hamilton District, one set of 11-kv. switchgear (tenders close November 28, 1939); Section 48, Hamilton District, one set of 110-kv. switchgear and steelwork (tenders close December 5, 1939); Section 50, Hamilton District, one set of 50-kv. outdoor switchgear and steelwork (tenders close December 5, 1939); Section 51, Hamilton District, 30,000-kva. transformer bank and spare unit (tenders close December 5, 1939).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 2, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 2, 1939, and for the week ending Monday, September 25, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 25	Nominal Quotations in Montreal Week ending Oct. 2	Official Bank Rate
Belgium	Belga	.1001	\$.1879	\$.1869	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2138	.2140	3½
Finland	Markka	.0252	.0212	.0210	4
France	Franc	.0392	.0250	.0253	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	3
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0081	.0081	6
Holland	Guilder	.4020	.5902	.5913	3
Hungary	Pengo	.1749	.3275	.3275	4
Italy	Lira	.0526	.0565	.0560	4½
Yugoslavia	Dinar	.0176	.0256	.0256	5
Norway	Krone	.2680	.2524	.2518	3½
Portugal	Escudo	.0442	.0403	.0405	4-4½
Roumania	Leu	.0060	.0083	.0083	3½
Spain	Peseta	.1930	.1121	.1120	5
Sweden	Krona	.2680	.2643	.2639	2½
Switzerland	Franc	.1930	.2503	.2503	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2156	.2209	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0250	.0253	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0250	.0253	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso	.4245	.....	.....	—
	Unofficial		.2609	.2607	3½
Brazil	Milreis (Paper)	.1196	.0673	.0672	—
	Unofficial		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0575	.0574	—
	Unofficial		.0444	.0444	3-4½
Colombia	Peso	.9733	.6343	.6343	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.5841	.5856	—
	Unofficial		.4385	.4335	—
South Africa	Pound	4.8666	4.4700	4.4700	3½
Egypt	Pound (100 Piastres)	4.9431	4.5510	4.5732	—
China (Shanghai)	Dollar	.....	.0769	.0801	—
Hongkong	Dollar	.....	.2756	.2780	—
India	Ruppee	.3650	.3344	.3354	3
Japan	Yen	.4985	.2589	.2613	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4063	.4086	—
Straits Settlements	Dollar	.5678	.5187	.5226	—
Australia	Pound	4.8666	3.57½	3.57½	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Sterling free rates at New York stiffened 1¼ cent during the week ended October 2 to \$4.01½. Canadian funds, on the other hand, eased gradually from 90¾ cents on September 25 to 89½ cents on October 2, due largely to the transference of Canadian balances by United States owners. At Montreal both sterling and United States funds remained unchanged at the Foreign Exchange Control Board's buying and selling rates of \$4.43-\$4.47 and \$1.10-\$1.11 respectively. French franc spot rates were steadier, closing 2 points higher at 2.53 cents, while neutral European currencies were mixed. Belgian belgas moved down 10 points to 18.69 cents between September 25 and October 2, while the Netherlands florin advanced 11 points to 59.13 cents during the same interval. Swiss francs, following an advance to 25.12 cents on September 27, subsequently dropped back to close unchanged at 25.03 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Buttons.....	415	Perth, Australia.....	Agency.
Shoes and Slippers.....	416	New York City, New York.	Purchase.
Leatheroid.....	417	Sydney, Australia.....	Purchase or Agency.
Tissue Paper.....	418	Bridgetown, Barbados.....	Agency.
Wrapping Paper.....	419	Bridgetown, Barbados.....	Agency.
Kraft Pulp.....	420	New York City, New York.	Purchase.
Sulphite Pulp.....	421	New York City, New York.	Purchase.
Fibreboard.....	422	Auckland, New Zealand..	Agency.
Mica.....	423	Sydney, Australia.....	Purchase and Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praça Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Cooslingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilcon.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

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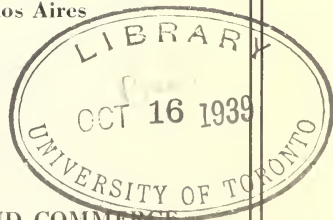
Ottawa, October 14, 1939

No. 1863



Unloading Seed Potatoes from Canada at Buenos Aires

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, October 14, 1939

No. 1863

WARTIME CONTROL OF UNITED KINGDOM TRADE

H. A. SCOTT, ACTING CHIEF CANADIAN TRADE COMMISSIONER IN THE
UNITED KINGDOM

London, September 21, 1939.—Since the outbreak of war rapid and drastic changes have taken place in the whole structure of British industry and trade. In the beginning it was difficult to judge the effects of these changes, but now the general pattern of the new order is gradually beginning to emerge.

IMPORT TRADE

A summary of the regulations governing United Kingdom import trade was published in *Commercial Intelligence Journal* No. 1859 (September 16, 1939), page 521, together with lists of goods the import of which is prohibited except under licence. The list is divided into two sections: (1) those articles for which it is intimated that no import licences will be issued until further notice, and (2) those for which licence applications will be entertained forthwith.

While the inference is that the Licensing Department of the Board of Trade is prepared to grant licences for articles under (2), in practice this has not proved to be entirely the case, as the Department is rejecting certain applications, and where permits are issued, they usually cover only a limited percentage of the total quantity specified in the application.

Moreover, as the commodity group definitions in the list are necessarily broad in scope, it is found that distinctions are drawn between qualities and grades of merchandise belonging to the same general classification. Wherever points of difference of this sort arise, the tendency, as might be expected, is for the Department to hesitate to issue licences for luxury articles and to grant them for utility products. Licences are usually freely issued if the commodities under consideration can be shown to the satisfaction of the Import Licensing Department to be required for military or civil defence purposes.

EXCHANGE CONTROL

Under the Defence (Finance) Regulations, the United Kingdom Government exercises close control over exchange and the payment for imported goods in foreign currencies. In this connection exchange is automatically granted for the payment of imported goods which are covered by a licence.

With regard to unrestricted imports, the position appears to be that the Treasury have the right to regulate the amount of foreign exchange to be released, bearing in mind the merits of each case, i.e. the need, from the point of view of the national interest, of the goods in question and the supply available of the particular currency concerned.

Where a United Kingdom importer wishes to obtain foreign exchange in relation to some particular overseas transaction, he must apply to his bank. The bank in turn consults the Bank of England. In this way the Treasury is provided with machinery which enables them to correlate financial policy to trade requirements.

EXPORT TRADE

As considerable interest is being shown by Canadian importers of British goods in the attitude of the United Kingdom authorities towards exports, it should be recorded that the Board of Trade have also prohibited the export, except under licence, of a long list of commodities.

The object is to conserve stocks of essential commodities. The Export Licensing Department, Inveresk House, Strand, London, W.C. 2, which administers the export control, is desirous of encouraging United Kingdom export trade as much as possible, and its policy is to grant licences freely provided the domestic supply position is secure.

Where applications for licences to export particular commodities are received, the Department consult with the trade interests concerned—and if there is government control, with the appropriate Controller—in order to determine whether or not there is a shortage and to ensure that local requirements shall receive priority. Decisions are reached as the result of these consultations.

CONTROL OF MATERIALS

Various raw materials are now under government control. Certain of these controls have, for strategic reasons, been located in provincial cities. All these controls are a part of the new Ministry of Supply, their addresses being as follows:—

Aluminium.—Hon. G. Cunliffe, Aluminium Control, Raven Hotel, Castle Street, Shrewsbury.

Flax.—Sir Harry Lindsay, Flax Control, Washington Hotel, City Road, Chester.

Hemp.—Mr. A. M. Landauer, Hemp Control, Washington Hotel, City Road, Chester.

Iron and Steel.—Sir Andrew Duncan, Iron and Steel Control, Steel House, Tothill Street, London, S.W. 1.

Jute.—Mr. G. Malcolm, Jute Control, 1 Victoria Street, Dundee.

Leather.—Dr. E. C. Snow, Leather Control, 8 St. Thomas Street, London, S.E. 1.

Metals, Non-ferrous (Lead, Tin, Zinc, Copper).—Capt. O. Lyttelton, Non-ferrous Metals Control, Grand Hotel, 46 Albert Street, Rugby.

Molasses, Alcohol and Solvents.—Mr. A. V. Board, Molasses and Industrial Alcohol Control, Great Burgh, Epsom.

Paper.—Mr. A. Ralph Reed, Paper Control, Great Western Hotel, Station Road, Reading.

Silk and Rayon.—Mr. E. W. Goodale, Silk and Rayon Control, Union Street, Mill, Macclesfield.

Sulphuric Acid.—Mr. N. Garrod Thomas, Sulphuric Acid, etc., Control, Lyndale Hotel, 19 Berkeley Square, Bristol.

Timber.—Major A. I. Harris, Timber Control, 2-7 Elmsdale Road, Clifden, Bristol.

Wool.—Sir Harry Shackleton, Wool Control, Bradford.

It is understood that certain of these Controllers have not yet had time to study fully the problems involved, and are at the moment engaged in collecting all relevant information with regard to stocks and prices which will enable them to establish a line of policy and to formulate schemes for the most effective mobilization and distribution of the products under their jurisdiction. For a time, therefore, it is unavoidable that some amount of uncertainty must prevail as to the future course of events.

A feature of the controls is that close collaboration is maintained with accredited associations of traders engaged in each industry. For example, in the case of the Iron and Steel Control the controlling organization under the Ministry of Supply is virtually the British Iron and Steel Federation, which is the representative trade body.

The Ministry of Supply is also responsible for the purchase of most of the supplies required for the military forces, and includes an important Contracts Department for this purpose.

CONTROL OF FOOD

A Ministry of Food has been created, which has absorbed the Food (Defence Plans) Department of the Board of Trade.

The Ministry has the power to set up government controls in respect to articles of food, but so far has taken action only in certain directions, such as flour mills, etc.; meat (including bacon, cattle, etc.); oils and fats, etc.

The organization is similar to the Ministry of Supply controls which have already been described. It embodies a number of sections, each dealing with a particular commodity or group of commodities, and the Ministry's officers are assisted by trade advisors. In at least one instance, namely flour, etc., the medium of communication between the Ministry and the trade is a special board, the Cereals Advisory Control Board, on which commercial interests are represented. The methods of control vary to suit the particular circumstances of each branch of trade, and the organization is designed to secure the confidence and co-operation of traders, and to reduce to a minimum the inconveniences which are inseparable from government regulations.

The Ministry of Food, whose address is Westminster House, Horseferry Road, London, S.W. 1, like the Ministry of Supply, has power also to requisition or purchase products as conditions may demand.

The above general sketch indicates that the economy of the country has very largely been put on a war basis. Centralized supervision of industry and trade will be directed towards the intensification of the war effort. While this must be accompanied by co-ordination and pooling of goods and services and the reduction of individual competition, the necessity of maintaining private trading, and particularly export business, as far as possible is fully recognized. In due course it will be possible to determine more accurately to what extent and in what direction Canadian export trade to the United Kingdom will be affected and how far Canadian exporters will be able to maintain their previous connections and sales.

It seems probable, however, that under present circumstances the introduction of new commodities into this market is going to be difficult, unless they are essential supplies needed to replace imports which previously came from other sources which are no longer available.

WAR RISK INSURANCE ON SHIPMENTS FROM CANADA TO THE UNITED KINGDOM

As inquiries have been received as to how Canadian exporters may take advantage of the British Government war risk insurance scheme on cargoes, the Department has made inquiries of the Canadian Trade Commissioner in London, and other sources, from which it appears that the advantages of the British Government scheme can be obtained in the following ways:—

1. Canadian exporters may themselves insure shipments to the United Kingdom under the scheme by employing United Kingdom insurance brokers. This can be effected by instructing London banks to make arrangements to pay premiums and receive any claims. It is a condition that all transactions are to be in sterling, and insurable matter to be such as is allowed by English law for the benefit of British subjects.
2. It is equally permissible for shippers to make arrangements beforehand with their agents or consignees in the United Kingdom whereby the latter may secure the insurance and deduct the cost of same from their payments for goods.

3. It is understood that the benefits of the British scheme may also be obtained by exporters through marine insurance brokers in this country. Application for particulars in regard to this matter should be made by shippers direct to their own brokers.

The present rate under the British scheme is 2 per cent, or $2\frac{1}{2}$ per cent if the coverage is to include transit from ship to inland warehouse.

The above information is subject to change, and the Department of Trade and Commerce accepts no responsibility for any statements made therein. Exporters should communicate with their brokers, agents, or consignees in regard to any arrangements to be made thereunder.

POINTS FOR EXPORTERS TO THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Port of Spain, September 5, 1939.—The British colonies included under this title are a group of islands extending from Porto Rico in a semi-circular line down to the north coast of South America. From north to south they consist of the Virgin Islands; the Leeward Islands, with the Presidencies of St. Christopher-Nevis (including Anguilla), Antigua (including Barbuda), Montserrat, and Dominica; the Windward Islands, with the Presidencies of St. Lucia, St. Vincent, and Grenada (including Carriacou); Barbados; Trinidad and Tobago. British Guiana, on the mainland of South America, lying east and a little south of Venezuela, is usually linked with this group.

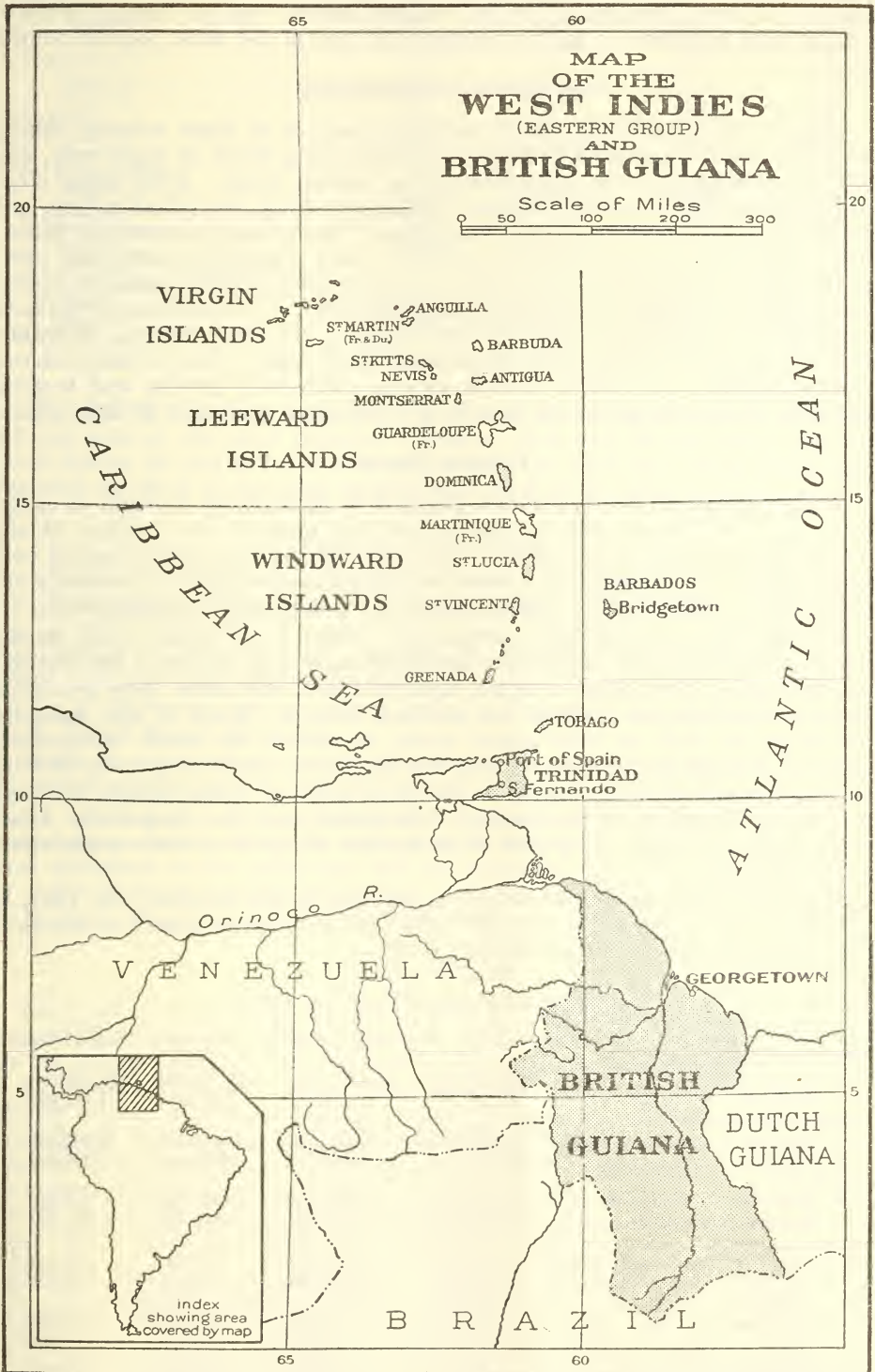
CLIMATE, AREA, AND POPULATION

The Virgin Islands are situated about 19 degrees north of the equator, and the southern tip of British Guiana almost touches the equator, so that the climate of these colonies vary from semi-tropical to tropical in Trinidad and British Guiana. Rains in the form of heavy tropical showers occur throughout the greater part of the year, and even in the comparatively dry months of January, February, and March the humidity is relatively high. In British Guiana there is also a dry period in September-October. Tropical diseases are prevalent, but the cities and towns are for the most part free from infection.

The island colonies are outcroppings of a submerged mountain range of volcanic and coral formation. Areas and populations as at December 31, 1937, are recorded as follows, including British Guiana:—

	Area Sq. Miles	Population
Virgin Islands (Tortola)	21	6,165
St. Kitts-Nevis, including Anguilla	152	38,057
Antigua, including Barbuda	170	34,523
Montserrat	32	13,712
Dominica	304	49,483
St. Lucia	238	69,404
St. Vincent	150	57,526
Grenada, including Carriacou	133	88,201
Barbados	166	190,939
Trinidad and Tobago	1,980	448,253
British Guiana	89,480	337,039
Total	92,826	1,333,302

The inhabitants are predominantly coloured, Trinidad having a more cosmopolitan assortment. Here and in British Guiana a large group is comprised of East Indians. Barbados, it will be observed, is by far the most densely populated, averaging 1,150 to the square mile, while British Guiana is thinly inhabited



Prepared by National Development Bureau
Department of the Interior

owing to its wide area of virgin land in the interior. Barbados too, which is uniformly of coral formation, flat and without heavy tropical foliage, is probably the most healthful of all the colonies and one of the most popular tourist centres.

RESOURCES AND INDUSTRIES

With a few noteworthy exceptions, the resources of these colonies consist entirely of tropical agricultural products, chief among which is sugar-cane, and industry is confined to the processing of the various crops. After sugar come cocoa, coconuts, citrus fruits, bananas, spices, arrowroot, sea island cotton, and a great number of small fruits and vegetables. From these products are manufactured grey crystal sugar, molasses, rum, canned grapefruit hearts and juice, lime oil, coconut oil with its manufacture of soap, and the less extensive operations of cocoa fermenting and copra and spice-drying. In addition, Trinidad's oil industry is the largest in the British Empire, producing almost 18,000,000 barrels of crude oil in 1938, while the famous Pitch Lake is an unlimited source of crude asphalt. In British Guiana rice is extensively grown, and tropical hardwoods, diamonds, gold, and bauxite are important resources of that colony.

FOREIGN TRADE

With the mass of the population engaged in agricultural pursuits on a low wage scale, purchasing power is limited, and the markets are confined chiefly to necessities and low-quality goods, luxury and high-class articles finding only a small outlet. This general statement is modified in respect of Trinidad's oil-field equipment and supplies, estate machinery, and government purchases.

Each colony has one chief port through which trade passes, chief among which are Port of Spain, Trinidad; Georgetown, British Guiana; and Bridgetown, Barbados. From Port of Spain especially, and Barbados, there is a great volume of transshipment trade to the northern islands. Much of this transshipment cargo, as well as inter-island trade, is carried by small independent schooners. Except for the ports of Castries (St. Lucia) and Georgetown (British Guiana), all cargo at present must be loaded or unloaded from lighters, although new docking facilities at St. George's (Grenada) and the deep-water wharf scheme at Port of Spain will permit ships to come alongside at these ports before the end of 1939.

Statistics of the foreign trade of the colonies in this territory for 1937, in which figures for imports do not include bullion, and exports consist of domestic exports only, are shown in the following table:—

Statistics of Foreign Trade in 1937

Colony	Total	United Kingdom	Canada	United States
Trinidad and Tobago—				
Imports.. . . .	\$35,835,514	\$12,886,789	\$4,342,097	\$8,379,596
Exports.. . . .	31,530,673	14,143,620	1,378,946	2,201,589
British Guiana—				
Imports.. . . .	11,712,672	6,168,180	1,655,604	1,129,439
Exports.. . . .	12,124,504	3,905,270	5,880,042	782,418
Barbados—				
Imports.. . . .	£ 2,220,650	£ 914,886	£ 322,730	£ 250,616
Exports.. . . .	1,498,341	655,103	673,997	121,151
Grenada—				
Imports.. . . .	367,707	172,229	57,400	38,911
Exports.. . . .	362,075	180,596	40,606	94,790
St. Vincent—				
Imports.. . . .	203,254	86,493	36,563	30,057
Exports.. . . .	184,544	63,289	18,430	66,195
St. Lucia—				
Imports.. . . .	244,851	98,476	36,939	61,369
Exports.. . . .	137,286	72,328	29,443	16,026

Colony	Total	United Kingdom	Canada	United States
Dominica—				
Imports..	£ 119,915	£ 50,526	£ 25,791*	£ 14,197
Exports..	57,436	8,146	22,583*	15,737
Montserrat—				
Imports..	53,662	18,983	18,588	8,583
Exports..	59,217	44,341	7,843	2,765
Antigua—				
Imports..	271,059	110,030	50,495*	42,000
Exports..	328,024	280,173	41,616*	5,829
St. Kitts-Nevis—				
Imports..	283,206	113,337	58,352*	40,824
Exports..	376,296	349,704	11,604*	4,025
Virgin Islands—				
Imports..	12,968	2,177	.....	3,470
Exports..	11,463	500	.....	.....
Totals in dollars at \$4.80 to the £—				
Imports..	\$ 65,679,091	\$26,576,986	\$ 8,910,619	\$11,861,164
Exports..	58,125,650	25,988,954	11,320,373	3,768,875
Total trade..	123,804,741	52,565,940	20,230,992	15,630,039

* Figures for British North America.

The United Kingdom supplied 40 per cent of the total imports and took 44·8 per cent of the total exports; Canada, 13·5 and 19 per cent; and the United States, 29 and 6·5 per cent respectively in 1937, and these percentages accounted for 82·5 of the total imports and 70·3 of the total exports.

COMMUNICATION SERVICES

There is no international telephone communication with any of these colonies, the systems being purely local, but efficient cable service is maintained. Four air mail deliveries a week to and from Trinidad and Canada via the United States are operated by the Pan American Airways. Antigua and British Guiana are the only other two colonies served. Also, within the territory there is a tri-weekly plane service between Trinidad and Barbados by the K.L.M. Royal Dutch Air Lines.

While no c.o.d. service exists, parcel post plays an important role in the delivery of merchandise to the British West Indies. In this connection it is pointed out that such shipments sold on a cash against documents or documents on acceptance basis should be addressed to the order of the bank, since a parcel addressed to the purchaser will be delivered regardless of the terms of sale. To facilitate customs assessment a copy of the invoice and of the certificate of origin should be enclosed with the parcel.

CUSTOMS TARIFFS

Each island and British Guiana have individual customs tariffs, although they all follow the same principle in that they consist of a general schedule of rates for foreign countries and a British preferential schedule of rates for Canada and all Empire countries. Most of the rates are on the ad valorem basis, but there are a great number of specific duties. In addition, all the colonies except Grenada and St. Vincent and Dominica impose surtaxes varying in amount. In the Windward and Leeward Islands the guaranteed preference, i.e. the difference between the general and British preferential rates, amounts to 33½ per cent, while in Trinidad, Barbados, and British Guiana this preference amounts to 50 per cent. Moreover, there are stipulations regarding the Empire content required for specified products in order to qualify for British preferential treatment. In Trinidad, British Guiana, Grenada, St. Lucia, St. Vincent, and Dominica the customs duties are based on the c.i.f. value, while in the remaining colonies in this territory the duty is calculated on the f.o.b. value.

Details concerning rates and other tariff information may be obtained upon application to the Department of Trade and Commerce, Ottawa.

DOCUMENTATION

There are no special requirements in respect to documents covering shipments to this territory. At least two copies of the ordinary commercial invoice must be supplied and, because of the different tariff treatment mentioned above, it is advisable in all cases to itemize separately freight, insurance, handling, and any other incidental charges. In order to obtain British preferential tariff rates, it is necessary for Canadian exporters to include a certificate of origin, of which there is an approved form obtainable from any commercial stationer. It is customary for importers to request that all shipments be covered by an insurance policy. Careful attention should be paid to any instructions given by the purchaser and all documents should arrive prior to or at least at the same time as the shipment.

PACKING

Packing should be particularly sturdy, consistent with the nature of the goods, because of the rough handling by irresponsible labour in the course of numerous transfers due to lighterage. Another essential feature is that goods be adequately protected against the humid tropical climate; perishable goods should have ample ventilation if they are not sealed in airtight containers. The humidity is a condition which deserves special consideration. In Trinidad goods are not required to be removed from the customs warehouse for ten days (four without charge) before being taken into bond, and quick deterioration is likely where perishable goods are closely stacked and under pressure. There are no special packing requirements, but packages should be marked with the consignee's name, address, mark, shipper's name, and gross weight. If more than one package comprises a shipment, each should be numbered consecutively.

CURRENCY AND BANKING

Although all the colonies except Trinidad and British Guiana maintain their accounts in sterling, the currency throughout the territory is the West Indian dollar, equivalent to 4s. 2d., giving a value of \$4.80 for the pound sterling, and exchange therefore fluctuates with sterling.

Barelays Bank (D.C. & O.) maintains branches in each of the islands and British Guiana, except Montserrat and the Virgin Islands, while the Royal Bank of Canada operates two branches in Trinidad and one in each of the other areas except St. Lucia, St. Vincent, and the Virgin Islands. The Canadian Bank of Commerce has branches in Trinidad and Barbados.

English is the only legal language, and the English system of weights and measures is in force.

QUOTATIONS AND TERMS

In most instances it is preferable to quote c.i.f. port of destination, and Canadian exporters must at least quote f.a.s. seaboard. For parcel post shipments, of course, the f.o.b. price is sufficient, but the postal rate should be indicated. Quotations in Canadian funds are quite acceptable but should be so stated to obviate confusion with United States funds. Canadian sales tax does not apply to export shipments. Consignment shipments are to be deprecated except in rare instances such as certain cases of introductory offers.

The markets in this territory customarily demand fifteen to thirty days terms D.O.A., with even longer periods to first-rate risks. Leading firms expect terms with a cash discount, and invariably take advantage of the discount. In some specialized trades, such as in flour, terms are sight draft D/P. Letters of credit are rarely established. There are many poor risks and fraudulent importers, and Canadian firms desirous of entering these markets should take particular pains to obtain credit ratings. Also, there is a tendency to make claims

on the slightest provocation, particularly in the provision trade, and exporters should be governed accordingly and refrain from making loose guarantees. In local courts an accepted draft is proof of debt, but in the event of non-payment for goods received independent of a draft acceptance the exporter must lodge the complaint and personally give evidence before criminal proceedings can be instituted.

DISTRIBUTION AND REPRESENTATION

As already indicated, there are three chief markets, the inhabitants of which have a low purchasing power. Moreover, situated as they are at the cross-roads of transportation, competition is extremely keen, and business is done on a strictly price basis. Distribution is largely through the services of commission agents, whose number is much too large for the size of the markets; this again tends to reduce selling prices. It is essential, therefore, that care be exercised in appointing agents and to ensure that they do not carry competitive lines but at the same time are in touch with the particular trade involved and, finally, that their clients are good accounts. There are no wholesale jobbers, so that retailers themselves are frequently agents. This is a pernicious practice, for many good agencies are tied up by one retailer, with distribution obviously limited to that outlet. At the same time, by eliminating commission, competition for exporters of similar lines offered through an agency is rendered that much more difficult. It should be remembered, however, that the spread between cost prices and retail prices is abnormally large, explained by the high percentage of bad consumer accounts.

Several of the large retailers are financed by organizations in England which purchase the bulk of their requirements, and this is particularly true of dry goods. These tie-ups, nevertheless, do not preclude local firms from purchasing at competitive prices. A specific example of this is purchases by Trinidad's oil companies whose equipment and supplies are largely obtained through their head offices abroad, but much material is purchased locally.

Consequently, unless the product is such that only one or a few items are saleable at a time, when direct consumer canvassing may be advisable, the commission agent is the medium through which volume business is placed. A number of the larger commission houses have branches in several of the colonies and employ a staff of salesmen, each specializing in one line or group of allied lines. Other houses are located in one or the other of the larger colonies and periodically canvass the remainder, while in other instances sub-agents are appointed, but usually this is not to be encouraged, since a split commission is a minimum incentive, and the house holding the agency does little to earn its share.

Canadian firms are recommended to first establish a connection in Trinidad, and if reasonable success is encountered, separate agents should then be appointed in British Guiana and Barbados, with possibly the latter being also given the Northern Islands as part of his territory, or still another agency may be appointed in Grenada to cover the small islands as a separate territory. Depending on the nature of the goods, there are, of course, exceptions to such an arrangement, but in general the territory can only be adequately covered by having resident agents in the principal markets. The practice of being represented by travelling salesmen who visit the territory once or twice a year from Canada does not develop a sufficiently close contact with importers. Little business is promoted through export agents or buying agents abroad, since importers feel they are paying extra commissions and choose to avoid anything that will increase costs.

When connections are established, illustrated catalogues and samples, if possible, are invariably necessary, and agents expect samples of value to be supplied at a 25 per cent sample discount.

BUSINESS CONTACTS AND ADVERTISING

Few Canadian firms appear to be interested in obtaining a first-hand knowledge of the British West Indies markets. Very few representatives visit this territory, even though the personal contact value is universally appreciated and need not be stressed. With the available steamship services, travellers can visit each district at a comparatively low outlay and in addition to promoting business relationships enjoy a tropical holiday.

In the majority of the colonies there are no restrictions affecting commercial travellers, but in Antigua a licence fee of £5 per firm per year is chargeable; in Dominica the fee is £2 per individual per year, and in St. Lucia it is £1 per individual per visit. The purpose of these fees is ostensibly to protect the shopkeepers from pedlars who market their wares with no overhead expenses. The fees are applicable only to a traveller actually booking orders within the colony. If the firm which the traveller represents has an agent established in the particular colony, no licence is necessary. Samples of value are dutiable, but duties are refunded when the samples are taken away.

Early in the new year, immediately after stock-taking has been completed, is the most suitable time for travellers to visit the territory. Not only is this the Easter buying period, but it coincides with the dry season and is more pleasant from the individual's point of view.

Advertising is available through the newspapers, printed circulars, lantern slides, or premiums, each of which method is in use. No advertising agencies exist, and art sign work is very amateurish, so that advertising material and display cards, etc., are best prepared abroad. Advertising through the medium of the daily newspapers is the most popular means to reach the masses, and rates are reasonable. Arrangements can be made with the telephone and electricity companies to insert circulars with their monthly bills, and the motion picture theatres show slides prior to the performances. The idea of giving away premiums, which take the form of sets to be completed, is very popular among the natives. When advertising is considered advisable, the representative is commonly allowed an appropriation.

MARKET PECULIARITIES

Government departments are obliged to place their requisitions through the Crown Agents in England, and Canadian firms, in order to make sales, are required to supply the Crown Agents with catalogues and quotations. While a local agent can endeavour to induce the department concerned to requisition for goods manufactured by a certain Canadian company, this procedure is a decided handicap to Canadian interests in sharing government purchases. If a product can be supplied only by Canada from within the Empire, a direct purchase may be concluded.

Reliable credit information can only be obtained from bank sources, and with the standard of business ethics generally low, it is again stressed that great caution be exercised in trade dealings.

The French islands of Guadeloupe and Martinique, French Guiana, and Dutch Guiana are also included within the territory assigned to the Canadian Trade Commissioner at Port of Spain. With few exceptions the trade of these colonies is conducted entirely with the mother countries and offers little scope for Canadian enterprise. However, firms interested in these territories are requested to communicate with the Trade Commissioner as well as in respect to any service that can be rendered in connection with the whole field. There are occasional differences peculiar to the individual markets which are not dealt with in this general survey.

MAURITIUS AS A MARKET

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

[One rupee (R.S.1) equals approximately 35 cents Canadian; one metric ton equals 2,204 pounds; one kilogram equals 2.2 pounds; one cubic metre equals 35.3 cubic feet.]

Cape Town, August 25, 1939.—The island of Mauritius, at one time a French possession and now a British colony, is situated in the South Indian Ocean, due east of the island of Madagascar, off the East African coast. The island has an extreme length of 39 miles and a width of 29 miles.

The population of Mauritius amounts to 400,000, of which 270,000 are Indians from India. The balance are Europeans and descendants of Europeans, and people of African, Chinese, and mixed origin. The English population amounts to only a few hundreds, while the French population of pure descent does not exceed 10,000. The chief commercial language is French, or creole based on French.

EXPORTS

The total value of the trade of the colony in 1938 amounted to Rs.72,757,580, of which Rs.38,927,565 consisted of exports. The prosperity of the island depends entirely on the price of sugar, the value of sugar exports forming 98 per cent of the total value of exports. The trade balance and economic conditions generally in 1938 were not so favourable as in the previous year.

IMPORTS

The total value of imports in 1938 was Rs.33,830,015 (approximately \$11,840,505) as compared with Rs.34,226,522 in 1937.

The following table shows the percentages of total imports from the six main sources of supply for Mauritius imports in 1932, 1935, 1937, and 1938:—

	1932	1935	1937	1938
	Per Cent	Per Cent	Per Cent	Per Cent
United Kingdom.. . . .	24.0	30.3	30.4	34.4
India	37.0	36.7	33.8	26.7
Australia	5.0	5.0	6.0	5.1
France.. . . .	5.5	3.7	3.3	3.8
Japan	5.5	3.3	3.7	3.3
United States	6.0	3.2	3.3	4.3

Imports from the United Kingdom into Mauritius consist chiefly of piece-goods, apparel, machinery, hardware, soap, preserved provisions, cement, paint, iron and steel manufactures, fertilizers, vehicles, and whisky. India supplies grain, gunny bags, cotton piece-goods, edible oils, spices, salted fish, and roofing shingles. From Australia the chief import is wheat flour. France supplies apparel and haberdashery, perfumery, wine, drugs, and cinematograph films. Japan has been losing ground as a source of supply for cotton and silk manufactures, glassware, apparel, and sardines. The United States is an important source of supply for machinery, petroleum products, unmanufactured tobacco, and electrical goods.

IMPORTS FROM CANADA

Imports from Canada have consistently had a value of about a quarter of a million rupees annually during the last five years. In 1938 imports from Canada were valued at Rs.269,367 (approximately \$94,278) as compared with Rs.270,502 (approximately \$94,675) in 1937. This is a small proportion of Rs.33,830,015, the total value of imports, and would seem to leave considerable room for improvement.

Unfortunately a large proportion of the total imports consist of a product which Canada cannot possibly supply, viz., rice. During 1938 rice accounted

for only 14 per cent of the total imports, but in previous years for over 20 per cent. Food, drink, and tobacco together account for about one-third of the total imports. Drink and tobacco are two other commodities which Canada would not be likely to supply. The only remaining product of any consequence in this group, which accounts for one-third of the total imports, would be flour.

FLOUR

Imports of flour amounted to 8,103 metric tons in 1936, 9,909 metric tons in 1937, and 9,267 metric tons in 1938, practically all from Australia. Two factors account for this situation, and both are difficult for Canadian exporters to overcome. The first is the low Australian price and the second the better shipping facilities from Australia. It is probably not possible to meet the Australian price (approximately \$51 for 2,000 pounds c.i.f.), nor is it necessary in order to obtain at least some portion of this market. Many of the bakers are familiar with the merits of Canadian hard wheat flour, and would be willing to pay a premium for the Canadian product for blending purposes. The lack of direct shipping facilities and of ability to make delivery within a reasonable time of flour in good condition is a more difficult problem. The Australian flour reaches Mauritius by two routes: one all the way by the K.P.M. Steamship Line, with transshipment at Java ports; the second by direct steamer, stopping at Mauritius en route from West Australia to a South African or European port. The freight rate is also likely to be less than any that could be quoted from Vancouver or Montreal. However, to overcome the long time in transit under tropical conditions—which is the direct cause of the complaint that Canadian flour deteriorates very rapidly—the following method of shipment is suggested as an experiment: arrange with Messrs. Elder Dempster Lines Limited at Montreal to ship via their line on a boat that will make a good connection with one of the fast regular monthly K.P.M. boats out of Durban or Cape Town to Mauritius.

OTHER PROVISIONS

Apart from flour, preserved provisions offer the only other possibility to Canadian exporters. Canned fruit comes in largely from Australia and South Africa at low prices, and Canadian exporters definitely could not compete. The market for condiments is small. It is chiefly in canned fish, salmon, and sardines that Canadian exporters would be most interested. Imports of canned salmon in 1937 amounted to 73,501 kilograms, of which 69,271 kilograms were supplied by Canada. There is little room for improvement in Canadian canned salmon shipments. Several requests were received for agencies for canned salmon, but it is felt that for the small amount of business offered increased competition is not desirable, for it would reduce orders that even now barely make up a minimum bill of lading. Japan is not a serious competitor, the balance of the imports coming chiefly from the United States. Incidentally, there is a tariff preference in favour of Canada on canned salmon.

Imports of sardines in 1937 amounted to 254,184 kilograms and came from Japan to the extent of 145,000 kilograms and from Portugal to the extent of 102,000 kilograms. Canada's share amounted to 2,017 kilograms. Canadian exporters of sardines should endeavour to obtain a larger share of the market. A large portion of these tins of sardines are opened and sold separately, and for this reason the slightly larger sardines are more popular. The general complaint against Canadian sardines was that the price was too high. This is difficult to understand because Canada enjoys a preferential tariff of Rs.5 per 100 kilos compared with a general tariff of Rs.10 per 100 kilos against foreign countries.

ELECTRICAL APPLIANCES

At the present time there are about twenty heavy-duty electric ranges on the island. The capacity of the Mauritius market is placed at fifty additional heavy-duty stoves. This is possibly an underestimate due to ignorance of the value of advertising and active pushing of the sale of electric stoves. There are a large number of electric hotplates in use, chiefly of German manufacture. The General Electric Supply Company have a monopoly of the power supply, and in the past, at least, have confined their purchases of stoves largely to one merchant. This favoured merchant is agent for the A.E.G., and as a result, most of the electrical appliances—that is, hotplates and stoves—appear to be of German origin, notwithstanding the fact that there is a duty of 30 per cent ad valorem on foreign stoves as compared with 10 per cent ad valorem on stoves from Empire sources. There are few electric refrigerators on the island, but electric refrigerators will eventually have a greater sale than electric stoves, as it is felt that there is a greater need for the refrigerator than for the stove. No electric washing machines are known to be in use. The voltage in use is 240 with 50 cycles a.c. The price of electric current has this year been reduced to a low figure. No rangettes are in use, but there should definitely be a market for them.

AGRICULTURAL IMPLEMENTS

The sale of agricultural implements in Mauritius is extremely limited, as the import statistics show. A number of estates were almost ruined some years ago through using ploughs which dug down too deep into the sub-soil. What is wanted is a plough which will more or less scratch the surface and loosen it up without any possibility of turning up the sub-soil. A number of home-made ploughs are seen on the estates but no modern ploughs or, in fact, modern agricultural machinery of any kind. Agricultural labour is extremely cheap, and the fact that sugar cane is only replanted every five or six years makes for a minimum need of agricultural machinery. Many firms were approached on this subject, but few were interested. On the other hand, there have been a number of inquiries received for tractors made in Canada. No interest is shown for tractors made in foreign countries, due to a heavy duty of 36 per cent ad valorem as compared with 6 per cent from Empire countries. The nature of the fields to be cultivated also definitely limits the use of agricultural implements. Many fields have long rows of boulders and rocks, two and three feet high, running the entire length of the field, six feet apart, with sugar cane planted between. Since sugar constitutes 98 per cent of the island's exports, there is little else grown which requires the use of agricultural machinery.

LUMBER AND SHINGLES

Imports of boards and planks into Mauritius in 1937 amounted to 10,875 cubic metres, equally divided between the Straits Settlements and Siam. Other timber imported amounted to 2,355 cubic metres, largely from Australia and the Straits Settlements. Shingles in 1937 were imported to the value of Rs.61,379, almost entirely from India.

The lumber imported is of a low and coarse grade, reddish in colour and rough-sawn. It comes in largely from Singapore and is known as "Singapore boards." From Siam teak wood is received. Both these woods are proof against white ants, which is an important factor. Douglas fir is known to the larger lumber dealers; but they are of the opinion that transshipment would make the freight rate so high as to make it non-competitive, and that, due to white ants, it would not be suitable in any case either for floor joists or rafters. The main factor, however, is price. Singapore boards are usually

in sizes of 9 inches by 3 inches from 10 feet to 25 feet long. Teak wood as a general rule is of smaller dimensions.

For railway sleepers Douglas fir in the past has not been successful. However, this was due to poor creosoting, which was done locally. In all probability if Douglas fir sleepers were creosoted to a sufficient depth, they would prove immune to the attacks of termites. The policy of the railways, however, appears to be to use iron sleepers in future in increasing quantities. The last order for wooden sleepers was placed in April this year for approximately 15,000 of 10-inch by 5-inch by 9-foot dimensions. These were Jarrah, sawn or hewn sleepers, and the order was placed in Australia at a price of 6s. 9 $\frac{3}{4}$ d. each, f.o.b. port of shipment, less 2 $\frac{1}{2}$ per cent.

A large proportion of the homes have wooden shingle roofs. These shingles are of teak and are practically all the same size: 15 inches by 5 inches, tapering from $\frac{5}{8}$ inch at the butt to $\frac{3}{16}$ inch. They are placed on solid boarding with a 5-inch exposure. First-class shingles are bought by the importers at £4 4s. per 1,000, c.i.f., while second-class shingles are bought at £3 2s. 6d. The imports of each kind are about equal. These shingles are put up in compact little bundles, thick end to thin end, fastened with one strand of wire each way, and stow 3,000 shingles to a ton of 50 cubic feet. The ocean freight rate to Mauritius from India, the source of supply, is roughly \$12 per ton. A market can undoubtedly be developed in Mauritius for Canadian cedar shingles if importers can be satisfied that they are not likely to be attacked by termites. The price, of course, would have to be competitive with present sources of supply. Closely related with the question of price would be that of shipping facilities. It seems doubtful if British Columbia exporters could obtain a through freight rate from Vancouver to Mauritius competitive with that being paid at the present time from India. However, Canadian exporters interested in this market who believe that they could compete should advise this office.

SUGAR MILL REQUIREMENTS

Apart from commodities for direct sale to the large native population of low purchasing power, such as cotton goods, preserved provisions, flour, and rice, the requirements of the island centre largely around those commodities required for operating the thirty-eight sugar mills. The machinery is obtained largely from England and Europe, but there should be a market in Mauritius for Canadian rubber belting, screening or wire filter cloth, light-weight rails, and sugar-cane trucks. Sugar-cane knives of a special design are also in demand. Canadian exporters and manufacturers who are at the present time supplying sugar mills in the British West Indies, Netherlands East Indies, or Cuba should endeavour to place similar products in Mauritius.

CUSTOMS TARIFF

The customs tariff of Mauritius is favourable to Canadian exporters on the majority of items, and on many the preference is very large.

SHIPPING

If shipping facilities to the island of Mauritius were as favourable as the customs tariff, Canada would be in an excellent position to obtain a larger share of the island's imports.

Until recently it has been necessary for Canadian exporters to ship to Mauritius via New York. As most of these shipments were for less than car-load lots, the inland freight rate from Canadian shipping points to New York quayside was much higher than if shipments had been made out of Montreal. In a number of cases importers in Mauritius have complained of the heavy

freight charges, which undoubtedly could have been reduced if shipments had been made by way of Montreal. Further, it seems desirable that Canadian manufacturers when making shipments to Mauritius should know the name of the on-carrying steamer from South Africa. With this knowledge they could arrange their shipments so that the time and storage while awaiting transshipment would be at a minimum. There is only one fast regular direct shipping line calling at Mauritius. Details about its service can be ascertained through the first carrying company out of Montreal.

UNITED STATES HAY MARKET

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

New York, October 6, 1939.—The outlet for Canadian hay is confined to New England, New York, and New Jersey, and its volume is directly dependent on domestic production of hay. The following table shows total production compared to imports for the periods 1925-29 and 1931-35 and for the years 1936 to 1939 inclusive:—

	Timothy and Clover*	Alfalfa Figures	All Tame in 1,000	Timothy, Clover and Alfalfa Short Tons	Imports†
1925-29	35,431	23,295	73,224	58,726	147
1931-35	24,240	23,718	67,665	47,958	23
1936	21,324	24,750	63,309	46,074	204
1937	24,335	27,056	73,785	51,391	23
1938	27,754	28,858	80,299	56,612	30
1939	24,320	27,008	74,728	51,328	...

* Not including sweet clover. † Year beginning July 1.

Production of wild hay in 1939 is reported at 8,999,000 tons as compared with 10,444,000 tons last year and a long-term average of 9,414,000 tons. It will be noted from the foregoing table that there is a considerable production of tame hay other than clover mixed and alfalfa. This difference is made up by hays that do not directly compete with imports, such as sweet clover, grains cut green, lespedeza, soy-bean hay, cow-pea hay, and other miscellaneous cultivated hays of minor importance.

DISTRIBUTION OF IMPORTS

While the total production figures are of interest as a general guide, it is the production in those states immediately concerned with Canadian shipments that has a more direct bearing on the possibilities for imports. Under ordinary conditions the New England states are not self-sufficient in hay and must rely on New York or Canada for additional supplies. New Jersey is also dependent on supplies from New York and Pennsylvania and sometimes from Canada.

Most of the imports are of heavy clover mixed hay. This hay is principally in demand in the eastern areas and the higher freights on alfalfa from the main producing sources in Canada favour the sale of clover.

MARKET PROSPECTS

From the foregoing table it would appear that the prospects for selling Canadian hay in the United States this year are not particularly encouraging, but a more detailed examination of the domestic production by zones shows a considerably improved outlook. The following tables show the production of alfalfa, timothy, and clover hay in the states where purchases directly affect imports from Canada for the years 1936 to 1939 inclusive.

WHEAT AND FLOUR TRADE REGULATION IN BELGIUM

YVES LAMONTAGNE, COMMERCIAL ATTACHÉ

(One metric ton equals 2,204 pounds; one kilogram equals 2.2 pounds)

WHEAT

Brussels, September 23, 1939.—Measures were taken seven years ago by the Belgian Government with a view to ensuring the sale of wheat by Belgian growers at remunerative prices. The regulations, which also affect the importers and the millers, have been modified from time to time in order to meet changing conditions. The measures which have recently been taken with a view to safeguarding supplies as a result of the outbreak of war in Europe are outlined in the concluding section of this report.

IMPORT LICENCES AND SPECIAL TAXES

At the beginning no special taxes were imposed on imported wheat, but millers, acting in concert with the Belgian authorities, agreed to incorporate at least 5 per cent of domestic wheat in their blends. This proportion was subsequently increased to 10 per cent and even more, and prices of domestic wheat were pegged at certain levels.

In July, 1933, import licences were introduced with the object of paying a bounty to growers out of the proceeds from a special tax on imports of foreign wheat. This tax was originally set at 10 francs per 100 kilograms (about 9 cents per bushel at the prevailing rate of exchange) and remained in effect until the end of March, 1935, when it was cancelled because wheat prices had advanced. It was enforced again from August, 1935, to February, 1937, when it was again suspended, but on July 21, 1938, it was once more reintroduced at the same rate, owing to the fall in prices on the international wheat markets.

On September 15 the import licence fee was doubled, and it was raised to 22 francs per 100 kilograms on January 1, 1939, as a result of the general increase of 10 per cent affecting all licence fees, other measures being taken at the same time with the object of increasing revenues in order to balance the national budget. A further increase to 27 francs was effected on August 1, 1939.

The outbreak of war in Europe having been followed by a sharp rise in prices on the wheat markets, the licence fees were suspended as from September 10, 1939. The regular sales tax, however, remains, the basic rate being 2.5 per cent of the c.i.f. price. There are no customs duties.

The institution of import licences for wheat has also served the Belgian Government as a bargaining instrument in its commercial relations with other countries. By refusing to grant import licences, purchases of wheat could be cut down in order to adjust Belgium's balance of trade with certain countries, this system being more flexible than and as effective as quotas. By granting import licences more liberally for Roumanian wheat, for example, the trade between Belgium and Roumania being regulated under a clearing agreement, Belgium could make available more foreign exchange whereby Roumania was enabled to increase its purchases of Belgian manufactures. On the other hand, by withholding the necessary import licences for wheat from Iraq and Iran, for instance, Belgium could reduce the balance of trade if it were in favour of these countries. Belgium's policy in recent years has definitely tended toward the utilization of its purchasing power in cereals against exports of Belgian goods.

PRODUCTION

Belgium's wheat crop represents about 25 per cent of the country's total requirements of this cereal. About 430,000 acres are sown to wheat. Yields are

high, owing to the extensive use of fertilizers, and in 1937 averaged 2,160 pounds per acre. The yield in 1938 was exceptionally high, being about 20 per cent above normal, and as a result the local millers incorporated as much as 40 per cent of Belgian wheat in their milling, during a certain period, as against the usual 10 per cent.

About 50 per cent of Belgium's production of some 400,000 metric tons of wheat is converted into flour. The remainder serves to feed live stock and poultry, while a certain quantity must be used as seed.

IMPORTS

During the past five years Belgium's imports of wheat averaged 1,160,000 metric tons. The following table, compiled from the Belgian trade statistics, shows Belgium's imports and chief supplying countries during the years 1935 to 1938 and for the first six months of 1939, the quantities being in metric tons of 2,204 pounds:—

Imports of Wheat into Belgium

	1935	1936	1937	1938	Jan.-June, 1939
	Figures in Metric Tons				
United States	39,907	8,177	116,251	377,911	181,212
Canada	252,575	641,565	335,509	197,379	131,845
Argentina	616,593	131,284	295,191	112,730	145,574
Russia	83,108	40,553	122,306	263,452	1,899
Roumania . . . . .	.....	117,363	216,758	53,832	92,549
Australia	3,617	78,550	1,871	17,814	.....
Other countries	57,354	172,024	125,020	15,352	6,846
Total	1,053,154	1,189,516	1,219,906	1,038,520	559,925

Among the supplying countries which are not listed in the above table and from which imports are effected are British India, Turkey, Iraq, Iran, and Uruguay. Owing to shipments of Canadian wheat being routed via American ports, and vice versa, the Belgian trade figures are not reliable; imports credited to Canada often include considerable shipments of American wheat, while Canadian wheat shipped to Belgium via ports in the United States, such as Albany and New York, is credited to that country. A check on arrivals of wheat in Antwerp reveals that imports into Belgium of Canadian wheat in 1937 and 1938 totalled 7,359,280 and 7,775,900 bushels respectively, or approximately 20 per cent of Belgium's imports during the past two years as against over 50 per cent of the total imports in 1936, when purchases of wheat from Canada were exceptionally high.

A comparison of the total figures for the first half of 1938 and 1939 shows an increase of 128,911 metric tons for the latter six-months' period, shipments from Russia having decreased by 66,123 tons, whereas purchases from Argentina, Roumania, and Canada increased by 91,310 tons, 66,666 tons, and 51,848 tons respectively, imports from the United States being down by 3,876 tons.

WHEAT FLOUR

The Belgian flour-milling industry is well protected, as the importation into Belgium of wheat flour for bread making is prohibited. Only small quantities of flour for special use, such as the preparation of "biscottes" or toasted bread or for sale as ships' stores, are permitted entry under licence, and quotas are allotted to certain countries, including France, Canada, and the United States.

An import licence fee, amounting to 14 francs per 100 kilograms (roughly 22 cents per 100 pounds), was collected before July 4, 1937, but was then abolished until July 21, 1938, on which date it was again applied at the same rate. The fee was doubled in September, 1938, and then raised to 31 francs on January 1, 1939, and to 37.80 francs on August 1, 1939. On September 10, the import licence fee on wheat having been abolished, that on flour and other wheat products was also taken off.

The duty on flour is 4.60 francs per 100 kilograms.

There is a sales tax on imported wheat flour amounting to 2.5 per cent of the duty-paid value for flour packed in barrels or sacks, and 5 per cent for flour packaged for retail sale.

No licence tax is collected on imports of wheat flour for use as animal feed, but the rate of duty is the same as for ordinary flour, while the sales tax amounts to 2.5 per cent of the duty-paid value. Proof must be supplied that this wheat is actually used for the purpose stipulated.

Belgium's total imports of wheat flour, which averaged 4,500 metric tons during the period 1935 to 1937, fell to 760 tons in 1938, of which France supplied 458 tons; the United States, 177; and Canada, 29 tons.

SPECIAL WARTIME MEASURES

About a year ago, when war in Europe seemed imminent, the Belgian Government, as a measure of precaution in the event supplies from abroad might be cut off, purchased 40,000 metric tons of American wheat. In May, 1939, there was another war scare, and the grain brokers in Antwerp completed plans for the formation of a syndicate, the members of which were to have the exclusive right to sell to the Belgian millers foreign wheat from a reserve of some 60,000 to 80,000 tons which was to be created to meet any emergency which might arise. The members were to remain free to sell from the stock as required, but the fixed minimum reserve was to be maintained by fresh imports. By this means the country's requirements in foreign wheat were to be filled through the usual trade channels. The Government officially approved this scheme by passing a decree ordering that all Belgian millers who were importers of wheat must possess and maintain in the country a stock of foreign wheat representing $7\frac{1}{2}$ per cent of the quantities which they milled between February 14, 1938, and February 18, 1939. This decree, published on June 28, 1939, provided that the stocks should be constituted within 15 days.

The principle feature of Belgian agriculture is that a balance is constantly being sought between the cultivation of cereals and the production of live stock. The raising of horses and cattle takes up a considerable part of the cultivated area of the country, and in the event of a European war lasting over several years the problem would be to reduce the area of pastures in Belgium by possibly as much as 25 per cent in order to provide for increased production of wheat, sugar beet, and potatoes. The problem is complicated by the fact that Belgium is also a large importer of feedstuffs. It may be observed incidentally that if Belgium is to grow more wheat, this country will depend in greater measure on the importation of strong wheats, such as Canadian, if the quality of Belgian bread is to be maintained.

REGULATION OF EXPORTS

As from August 25, 1939, the export of certain commodities from Belgium, including cereals and products, was made subject to the granting of an export licence and, as from September 10, licences for the latter have been refused, this being equivalent to a prohibition of their export, the object being to safeguard supplies for the population and check a rise in prices. At the same time, in view of the rise in the price of wheat on the international markets, the special licence fees which had been imposed on imports of cereals and products were abolished.

As from September 15, 1939, the transit of cereals and products has been regulated by means of government permits.

With a view to preventing an undue rise in the price of Belgian wheat, it has been decreed, as from September 21, that the maximum price at the farm of wheat for flour-making will be fixed at 135 francs per 100 kilograms (\$2.57 per 100 pounds at the present rate of exchange).

The following is a brief summary of the measures which are effective as from September 24 as a result of royal decrees published on that date:—

(1) Millers must reduce to flour the whole of the grain, with the exception of the cellulose issues, and the wheat flour must have a content of not less than 84 per cent dry matter.

(2) The use of wheat for the feeding of animals is forbidden, except when such wheat has been passed as not fit for human consumption.

(3) The sale of Belgian wheat is regulated by the Ministries of Supplies, and only millers and wheat merchants duly listed may obtain licences allowing them to purchase local wheat.

(4) The farmer is permitted to take from his crop the wheat required for seed, on the basis of 132 pounds per acre cultivated, as well as the wheat necessary to feed his family, on the basis of 1.1 pound per person per day.

(5) In certain specified districts the areas to be sown under wheat during the season 1939-40 are to be increased by at least 50 per cent as compared with 1938-39, while in districts which are not specified the area sown to wheat must be at least equal to that of the last crop year.

In future, therefore, there will be but a single grade of wheat flour, so that Belgian bread will be slightly less white than before. The rate of bolting is, actually, not raised, for the needs of the live-stock industry as regards bran are large and must also be provided for.

The stocks of wheat in Belgium are ample for the present, as they comprise this year's crop, as well as the reserves of foreign wheat created a few months ago, but some anxiety still exists, as steamship services have been curtailed and are uncertain. It is expected that, in order to eliminate waste and regulate distribution, ration cards will be issued for the purchase of bread and other foodstuffs.

WHEAT AND FLOUR IN MEXICO

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, September 18, 1939.—In the agricultural economy of Mexico the production of wheat holds an important position. It is, of course, secondary to maize, which is the staple foodstuff of 90 per cent of the population, so that the consumption of wheat in the form of flour is confined almost entirely to the middle and upper classes located in the cities and larger towns.

PRODUCING AREAS

The principal producing areas are three in number, namely: the north zone comprising the States of Coahuila, Chihuahua, Durango, Nuevo León, and Zacatecas; the north Pacific zone consisting of the States of Baja California, Sinaloa, and Sonora; and the central zone taking in the States of Aguascalientes, the Federal District, Guanajuato, Hidalgo, Jalisco, Mexico, Michoacán, and Puebla. The remaining states are not important as wheat-producing areas. The central zone is by far the most important, in which the Federal District is the leading productive area. The northern zone comes next, followed by the north Pacific area. In these areas, particularly in the Federal District in the central zone, the climate is temperate, which accounts for its importance as a producing area, but generally speaking climatic conditions in all the zones, owing to their altitudes, are fairly temperate and the rainfall is sufficient to provide the necessary moisture.

TYPES OF WHEAT CULTIVATED

Mexican statistics do not distinguish between the various types and grades of wheat produced, but some years ago, at the request of this office, the Mexican

Department of Agriculture supplied some forty samples of wheat grown in different parts of the country. These were all classified, with few exceptions, as red wheats of various types. The wheat generally produced is of the soft variety, although it is understood that the Department of Agriculture is experimenting with certified hard wheat seed supplied at their request through this office by the Canadian Government Experimental Farms. However, the situation would appear to be that soft wheats rather than the hard types are required for milling purposes, the reason being that the use of bread as an article of diet is confined almost entirely to the upper and middle classes, while the tortilla, an unleavened pancake, is the staple product eaten by the lower classes but is also consumed by all classes. This is made of a soft wheat flour, and corresponds to the chaprati consumed by the people of India.

IMPORTS

A few years ago the Mexican market, which had been open to foreign wheat, was practically closed to imports in accordance with efforts of the present Government to develop the agricultural resources of the country to a point where Mexico would be self-supporting. This policy has not been altogether successful in that production has not met demand, partly on account of crop failures due to lack of moisture in some of the producing areas. It has been necessary, therefore, in the last two or three years to import wheat to meet the country's needs, practically all of which has come from the United States.

The following table, based on information supplied by the Secretaría de la Economía Nacional, shows imports of wheat into Mexico from the principal sources of supply—Canada and the United States—during the past five years, values being expressed in Mexican pesos and quantities in kilos of 2·2 pounds:—

Mexican Imports of Wheat

	1934		1935		1936		1937		1938	
	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos
Totals	219,841	36,092	46,083	10,490	95,284	17,102	4,932,065	869,617	89,683,946	14,162,574
Canada	35,137	6,189	27,310	7,395	15,410	2,988	.....	.....	.....	.....
United States	184,704	29,903	18,769	3,094	79,854	14,101	4,932,030	869,606	89,683,928	14,162,567

It will be noted that in 1937 and 1938 imports showed a heavy increase over previous years, particularly in the latter year, due to partial failure of domestic crops and the fact that production during the five-year period has shown a tendency to decrease rather than increase. The principal source of supply has been the United States, and, whereas in 1934, 1935, and 1936 Canada supplied appreciable quantities, in 1937 and 1938 there were no imports of Canadian wheat, at least as direct shipments. Other sources of imports in these years were Germany, Argentina, France, and Guatemala, but the quantities supplied were negligible.

WHEAT PRODUCTION

For the current year the Mexican wheat crop has been estimated at between 370,000 and 385,000 metric tons (of 2,205 pounds), a somewhat larger yield from a slightly larger area than in the previous year, when it was 288,136 tons from 486,643 hectares. In the State of Durango the crop already harvested is better than the average, but in the Chihuahua area lack of rain somewhat damaged its quality. Good-quality wheat is in prospect from Piedras Negras area in the north zone, while good yields were anticipated from Ensenada in Lower California, Guadalajara in the central zone, and Torreón in the north zone. In the Yaqui and Mayo valleys, located in the north Pacific zone, the harvest, when completed, is estimated to yield 70,000 metric tons, but in Mexicali area Lower California, high winds were reported to have damaged the crop; it is expected that the yield would be around 30,000 tons.

MARKET

The Mexican market for Canadian wheat is, therefore, very limited, not only because of type but also on account of price. During times of local crop shortages many inquiries have been received concerning Canadian sources of supply. It so happened that in 1937, a year of shortage in Mexico, the Canadian crop was also short, with consequent high prices which tended to rise. Mexican buyers, government controlled, were reluctant to place orders, with the result that the continuing price advances of Canadian wheat induced them to purchase United States wheat. Furthermore, it is most difficult, if at all possible, with some exceptions, to have buyers and importers in this market purchase on the terms demanded by Canadian exporters, nor are they desirous of purchasing in lots which make it profitable to Canadian exporters to ship. Also the cost of shipping and the facilities for handling make it difficult to sell as against imports from the United States.

Exports of wheat are unimportant, and it is not likely that Mexico will ever be a factor in world's wheat markets. The import duty on wheat at present is 10 centavos per gross kilo (\$0.93 per 100 pounds), plus duty on sacks depending on the material of which they are composed.

FLOUR-MILLING INDUSTRY

The Mexican milling industry is of considerable importance, consisting of some 400 mills of which, according to the April, 1939, bulletin of the Secretaría de Agricultura, 286 are active. It will be understood, of course, that many of these are of minor importance; but, considering only the active mills, in the period June 1, 1937, to May 31, 1938, these processed 364,240 metric tons of wheat, producing 236,131 tons of first-class flour, 15,668 tons of second-class, 12,289 tons of middlings, 87,652 tons of bran, and 12,500 tons of "shrinkage."

The greatest number of mills (121) are located in the central zone, principally in the States of Michoacán (41), Mexico (23), Federal District (15), and Puebla (14), the balance being distributed throughout the remaining states. In the north zone there are 70 mills, principally in the states of Coahuila (26) and Chihuahua. Fifty-four mills are located in the north Pacific zone, mostly in Sonora, with others in the south Pacific zone, State of Oaxaca.

The mills located in the Federal District, from statistics previously mentioned, would appear to be the more modern and efficient, the fifteen mills showing a capacity of 572 tons per 24 hours or 171,600 tons in 300 days, and milling 97,588 tons of wheat. The next highest producers are in the State of Coahuila, but the foregoing figures indicate the relative importance of the industry.

The wheat required to supply these mills is principally grown in the several areas with additional imports to supplement the Mexican crop or quantities brought into the country for blending purposes; but, in view of the fact that the bread consumed is not of so fine a quality, generally speaking, as that produced in Canada, although good-quality bread and hence good-quality flour is produced, the Mexican wheat meets the requirements of the country.

At the same time, imports of flour, from the United States principally, while not extremely large are of some importance. This flour grades higher than that produced in the country and is required by bakeries and confectioners turning out high-quality products, but when the imports are compared with the country's production it will be appreciated that the local industry is well able to meet the demand, provided the domestic wheat crop is sufficiently large.

IMPORTS AND EXPORTS OF FLOUR

The following table shows imports of flour into Mexico from chief sources of supply during the past five years:—

Imports of Wheat Flour into Mexico

	1934		1935		1936		1937		1938	
	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos
Totals	48,638	20,437	50,806	26,896	50,121	25,486	70,825	33,802	73,515	36,572
Germany			17	7	34	22	26	48		
Czecho-Slovakia					20	14				
China	234	36	91	69	562	163	27	30		
United States	48,299	20,373	50,515	26,692	49,405	25,252	70,757	33,714	73,493	36,567
Great Britain			163	119						

Mexican exports of wheat flour to principal purchasing countries during the past five years were as follows:—

Mexican Exports of Wheat Flour

	1934		1935		1936		1937		1938	
	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos
Totals	67,034	11,341	152,836	22,729	84,263	11,451	47,533	5,886	30,212	7,526
El Salvador	22,000	5,000								
United States	40,014	6,330	143,496	20,195	73,236	8,797	47,526	5,878	30,061	7,369
Guatemala			417	121						
British Honduras			8,900	2,400	11,000	2,625				

The import duty on flour is 28 centavos per legal kilo (\$2.75 per 100 pounds).

The policy of the present Government is to make the country self-sufficient in the production of wheat and flour, and, to attain this object, had prohibited their importation; but in recent years, as previously mentioned, because of crop shortages due to climatic conditions and underproduction, this ban has been removed. Nevertheless, high duties are imposed to protect growers and millers.

As a market for Canadian wheat and flour Mexico, under these circumstances, does not appear to be of importance or interest. Should some unforeseen development take place, however, it might possibly be opened up, although under present world conditions Canadian wheat producers and millers are not likely to be at all interested.

MEXICAN MARKET FOR RANCH FURS

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

(At normal rate of exchange 3.60 pesos equal U.S.\$1; at current rate the value of the peso is approximately 17 cents Canadian)

Mexico City, August 31, 1939.—The demand in Mexico for imported furs arises from those in a position to afford them as a luxury or semi-luxury, for they are not a necessity as an article of wearing apparel as in more rigorous climates. The market, therefore, is limited to a small fraction of the population. Among the wealthy classes, those who are in a position to purchase the finest pelts obtain their requirements abroad in centres like New York, London, and Paris. But so far as the sale of medium-priced pelts is concerned, there is a brisk call for silver fox and for smaller lots of stone marten, grey squirrel, and other types of furs. Silver foxes are required to be well silvered; in fact, the more silver, the readier the sale.

IMPORTS

Mexican statistics of imports of raw pelts do not lend themselves to a satisfactory analysis of imports, since they lump together under one heading pelts of all kinds and distinguish only the country of origin. Further, while they give values in Mexican currency, the quantities are given by weight, which is unsatisfactory from a Canadian exporter's point of view.

The following table shows imports of raw pelts for 1937 and 1938 according to Mexican trade statistics:—

Imports of Raw Pelts into Mexico, 1937 and 1938

	1937		1938	
	Kg.	Pesos	Kg.	Pesos
Untanned furs of beaver, rabbit, hare, muskrat and the like, in the hair:				
Total	11,521	432,448	6,153	335,116
Germany . . . . .	.....	.....	.....	15
Australia	2	20	.....	.....
Canada	762	115,011	1,492	151,231
United States	8,651	180,834	4,169	106,209
France	1,087	8,244	57	773
Great Britain	930	106,871	124	32,641
Guatemala . . . . .	.....	.....	3	735
Norway	89	21,468	290	42,508
Peru . . . . .	.....	.....	6	30
Sweden . . . . .	.....	.....	12	974
Untanned furs, n.o.p.:				
Total	12,777	8,957	4,615	1,990
Argentina	8	24	.....	.....
United States	12,769	8,933	4,612	1,985
Guatemala . . . . .	.....	.....	3	5

It will be observed that in 1938 Canada was in first place as a source of supply, replacing the United States, which had held that position in the previous year. A close survey of the market discloses that pelts imported from Canada are entirely silver fox. This fact is verified by the Dominion Bureau of Statistics figures for the same periods. The United States also supplies silver, red, and black fox pelts, the most popular species in demand, but imports from that country include also squirrel, stone marten, and possibly a few mink skins. Silver fox is also imported from Norway, but the market's principal sources of supply for silver fox appear to be Canada and the United States.

Reference to statistics of exports as supplied by the Dominion Bureau of Statistics may present a more intelligible picture of the market so far as Canada is concerned. In the twelve months ended December 31, 1937, Canada exported to Mexico undressed silver and black fox skins to the number of 1,039 valued at Canadian \$26,513. In 1938 exports from Canada increased to 2,060 skins valued at Canadian \$42,147. From these figures it is evident that there are possibilities of extending Canadian sales in the Mexican market. If Mexican statistics are closely correct, however, it would appear that this extension must be at the expense of other supplying countries like the United States and Norway. As previously stated, the market's ability to absorb fur pelts is limited by climate, class of consumer, and the ability to purchase. Judged by the statistics and information obtained from importers and dealers, the market cannot be expected, under the best conditions, to absorb more than 5,000 to 6,000 silver fox pelts per annum. The ability to purchase has now been adversely affected by exchange rates (unless world market prices of fur pelts drop to compensate for the depreciated value which the peso now stands to the United States and Canadian dollar).

There is no worthwhile market for ranch mink pelts. A few hundred are imported annually: but mink furs may be classed as a super-luxury, and potential buyers of the wealthy class will make their purchases while abroad.

BUYING METHODS

Imports of furs are handled in several different ways. There are three or four wholesale importers—that is, merchants who import directly from sources of supply and sell wholesale to the large departmental stores or exclusive fur

shops or furriers or ladies' wear specialty shops, either before or after having the pelts dressed locally according to the buyer's wishes. Some of the exclusive fur shops or furriers import direct in the raw for their own retailing from the wholesale furriers in Canada, the United States, or Europe. In a few cases dressed furs are imported direct by the more expensive retail houses, which even under these circumstances can retail furs, principally to tourists, at prices much lower than the tourists, principally from the United States, pay in their own country. The first two methods are the more common, since raw fur pelts enter at a much lower duty than dressed furs.

SALES PROMOTION

Suggestions have been made to this office, both by organizations in Canada and by local importers, that sales might possibly be increased by some promotional methods. It is doubtful, however, if the extent of the market would justify any large expenditure. There are one or two trade-marked pelts on sale, and window displays by means of large photographs of the animals individually and in their habitat on the ranches are made; but no newspaper advertising of any particular brand of pelts is resorted to. It has also been suggested that breeders might combine to run a series of newspaper advertisements to the effect that Canadian silver foxes are superior and to purchase only those which are marked and guaranteed as such by responsible dealers or shops. However, remembering that the furs are generally imported in the raw and any brand or stamp or even tag, particularly the former, would be obliterated in the dressing and making up, this suggestion does not seem altogether practical. From information obtained from importers and dealers, the high quality and consequently better price which Canadian pelts command is well known to them; but breeders or exporters must exercise care in shipping only the quality of pelts ordered and within the price range desired. The quality generally required, as previously stated, is not the highest. Price range desired by the importer runs from \$25 to \$50 per skin. Occasionally higher priced pelts may be required.

METHOD OF SHIPMENT

Shipment to Mexico should be made by parcel post, which is the most economical and quickest, and eliminates the need for completion of numerous documents and customs formalities. Four copies of the usual commercial invoices without consular visa, signed by the shipper, should be forwarded by post to the consignee, together with a health certificate from a federal officer to the effect that no rabies or other contagious animal diseases existed within the past six months in the area from which the pelts originated.

TERMS OF PAYMENT AND CUSTOMS DUTIES

Payment is usually on the basis of cash on receipt of goods, provided the buyer is satisfied that the pelts are truly and well graded as to price and he is given the opportunity to view them. So far the experience of responsible shippers in this respect has proven satisfactory when dealing with reliable wholesale importers.

The duty on raw pelts is Mexican \$2 per gross kilogram. On dressed or tanned pelts in the hair the duty amounts to Mexican \$15 per legal kilogram.

A list of the more responsible importers and dealers in furs in Mexico City is on file at the Department of Trade and Commerce, Ottawa. Exporters interested in the Mexican market may obtain information respecting this list by writing to the Department, quoting file No. 1192/5.

UNITED KINGDOM ORDER, EFFECTIVE SEPTEMBER 2, 1939, PROHIBITING EXPORTS

An Order issued by the British Board of Trade under date of August 24 (see *Commercial Intelligence Journal*: September 2, 1939, page 472), prohibiting exports to foreign countries of certain goods except under licence, was suspended by Export of Goods (Prohibition) Order No. 2, which went into force on September 2, 1939. No. 2 Order is more extensive. It establishes a schedule in which goods marked A are prohibited to be exported from the United Kingdom (or dispatched as ship's stores) to any destination, except under licence granted by the Board of Trade.

List A is as follows:—

LIST A

1. FOOD AND DRINK

Grain and flour; feeding-stuffs for animals; animals living for food; meat; dairy produce; fresh fruit and vegetables; beverages and cocoa preparations (other than spirits, table waters and wine); other food.

2. RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

Non-metalliferous mining and quarry products and the like:

Abrasives, crude or partly manufactured: natural, including natural corundum, emery and garnet; artificial, viz., silicon carbide (including carborundum) and aluminium oxide (including alundum and aloxite).

Boron minerals, crude, and concentrates of boracite and rasorite; Chile saltpetre; coal, including lignite; diatomaceous earth; graphite; lava and pumice in lump or powder; mica; phosphate rock; quartzite; rock crystal quartz and common quartz; monazite sand; silica sand, including quartz sand; sulphur.

Iron ore and concentrates.

Iron and steel scrap and waste.

Non-ferrous metalliferous ores and scrap:

Ores and concentrates: antimony (including liquated sulphide); bauxite; chromium; copper (including regulus and matte); cryolite; iridium; iron pyrites (including cupreous pyrites); lead (including matte); magnesium; manganese; molybdenum; nickel (including matte); radium; tin (including matte); titanium; tungsten; vanadium; zinc.

Residues and wastes, other than pyrites ash.

Scrap and old metal.

Wood and timber, hewn or square sawn, but not further manufactured than by subjecting to one or more of the following processes, that is to say, planing or dressing, tongueing and grooving or other jointing, profiling, or chamfering.

Veneers (wood).

Wool and animal hair raw, wool waste and noils, and rags containing wool or animal hair, including those containing other materials.

Silk cocoons, raw silk, waste and noils, including those containing other materials.

Flax, including flax tow or codilla and all waste; hemp of all kinds, including false hemp; jute, raw; coir fibre; mixtures of the foregoing with other materials.

Seeds and nuts for oil, oils, fats, resins and gums:

Seeds for expressing oil therefrom.

Nuts and kernels for expressing oil therefrom.

Gums and resins: copal; shellac, seedlac and sticklac; resin (colophony).

Waxes: beeswax; candelilla.

Oils, fats and greases: animal; fish and marine animal; vegetable, other than essential; mixtures of oils, fats and greases other than essential; mineral, viz., crude petroleum and crude shale oil; oleine (oleic acid); soap stock; stearine (stearic acid).

Hides and skins, undressed, other than fur skins.

Paper making and similar materials:

Pulp; esparto, including waste; waste paper; rags, wholly or partly of cotton, linen, hemp, jute or ramie, not pulled.

Cork, raw and granulated, shavings and waste.

Drugs, raw or simply prepared and the like, as follows:

(57 classifications are listed under this heading).

Charcoal.

Fertilizers, raw or simply prepared.

Kapok.

Seeds, agricultural and horticultural.

Sponges, natural.

Tar and pitch (excluding natural asphalt and bitumen).

3. ARTICLES WHOLLY OR MAINLY MANUFACTURED

Coke and manufactured fuel:

Coke, including petroleum coke.

Manufactured fuel of which coal or coke is the chief constituent.

Pottery, glass, abrasives, etc.:

Scientific glassware: resistance glass and silica ware; graduated glassware.

Laboratory porcelain as specified in the United Kingdom Customs and Excise tariff.

Optical glass and optical elements whether finished or not, as specified in the United Kingdom Customs and Excise Tariff.

Stoneware, acid proof and chemical, and acid resisting bricks.

Refractory bricks, blocks and tiles of magnesite and dolomite.

Abrasive wheels, cylinders, cups, cones, discs, rollers, blocks, bricks, stones or sticks, consisting of grains of natural or manufactured abrasive bonded together with other material.

Crucibles, plumbago.

Iron and steel and manufactures thereof:

Pig iron.

Ferro-alloys, etc.: ferro-chromium; ferro-manganese and spiegeleisen; silico-manganese; ferro-silicon; ferro-titanium; ferro-tungsten; ferro-uranium; ferro-vanadium; ferro-molybdenum; silicon and alloys thereof; silicon powder; other descriptions.

Ingots, blooms, billets and slabs, bars, rods, angles, shapes and sections.

Wire, except insulated wire.

Strip, bimetallic.

Non-ferrous metals and manufactures thereof:

Aluminium and alloys containing aluminium: Ingots, blocks, slabs, billets, notch bars, wire bars, cakes and granules; powder; wire.

Antimony and alloys containing antimony.

Arsenic metal.

Bismuth metal.

Brass or any alloy containing copper, other than nickel alloys: strip.

Cobalt: metallic; alloys containing cobalt.

Copper: unwrought, in ingots, blocks, slabs, bars, billets, cakes, cathodes, anodes; plates, sheets, discs and circles; rods.

Lead: unwrought, in pigs, ingots, blocks, bars, slabs and cakes.

Magnesium, metallic, and alloys containing magnesium.

Magnesium powder.

Mercury and mercury amalgams.

Molybdenum.

Nickel and alloys containing nickel (including Mu-metal): unwrought, in ingots, cathodes, cubes, rondels, pellets, shot, grain and powder; and nickel flakes.

Palladium, iridium, rhodium, osmium, ruthenium, osmiridium, beryllium and columbium, and alloys thereof.

Platinum and alloys containing platinum: grain, ingot, bar, wire or powder.

Silver wire.

Tantalum and tantalum wire.

Tin: blocks, ingots, bars and slabs.

Titanium.

Tungsten (and tungsten wire).

Vanadium.

Zinc or spelter: unwrought in ingots, blocks, bars, slabs and cakes; sheets, strips, plates, discs and circles; wire.

White metal alloys.

Needles, hosiery.

Scientific instruments and appliances:

Surgical instruments.

Surgical appliances of the following descriptions: furniture, aseptic hospital; stretchers; dressings and bandages; catgut and other ligature and suture material.

Optical instruments as specified in the United Kingdom Customs and Excise Tariff, and parts of such instruments.

Photographic: cinematograph films, exposed, whether developed or not, and associated sound tracks or gramophone records.

Scientific instruments and appliances—*concluded*:

Other scientific instruments and appliances: gauges and measuring instruments of precision as specified in the United Kingdom Customs and Excise Tariff, except precision squares, scribing blocks of precision or surface gauges, and surface plates scraped; flow meters; thermopiles; pyrometers; clock, watch, chronometer and the like escapements; instrument mechanism jewels.

Electrical goods and apparatus:

Wireless valves and other electric discharge tubes and parts thereof.

Carbons, electric: lighting; furnace carbon electrodes.

Permanent magnets.

X-ray tubes and X-ray valves and parts thereof.

Machinery:

Agricultural: ploughs; reapers and binders; threshers; tractors.

Electrical machinery: generators, transformers and switch gear.

Food preparation and sterilizing machinery.

Machine tools.

Magnetos.

Refrigerating machinery.

Rolling mill machinery (and parts thereof).

Chemical plant.

Sugar making and refining machinery.

Machinery accessories: ball bearings; roller bearings.

Manufactures of wood and timber: plywood, including laminboard, blockboard and batten-board; wood flour.

Absorbent cotton and cotton wadding.

Woollen and worsted yarns and manufactures: tops; yarns, including those containing other materials.

Silk yarns, including those containing other materials.

Manufactures of other textile materials, including those containing other materials:

Coir yarn.

Flax yarn.

Hemp yarn.

Jute yarn.

Jute fabrics not made up, of any width, shape or length.

Jute sacks and bags.

Apparel:

Oilskins.

Chemical manufactures and products (other than drugs and dyestuffs):

(70 classifications are listed under this heading).

Drugs, medicines and medicinal preparations, manufactured or prepared, as follows:

(137 classifications are listed under this heading).

Dyes and dyestuffs (except dyewoods and raw dyeing substances) and extracts suitable for use in dyeing and tanning:

Intermediate coal tar products.

Indigo.

Painters' and printers' colours and materials not elsewhere specified: carbon blacks; lithopone; zinc oxide; zinc sulphide (luminous); paints and painters' enamels prepared or ready mixed: distempers; varnish and lacquer; printer's ink.

Oils, fats and resins manufactured:

Lubricating compounds.

Mineral jelly.

Petroleum (including shale oil) refined: kerosene; motor spirit; spirit other than motor spirit; lubricating oil; gas oil; fuel oil; other sorts.

Turpentine.

Paraffin wax.

Leather, undressed and dressed, including scrap and waste.

Paper, cardboard, etc.: paper and paper board; transparent cellulose wrappings.

Rail vehicles: locomotives, wagons and trucks.

Road vehicles: mechanically propelled, including ambulances; rubber tires and tubes; chassis for motor-cars and parts thereof; engines for motor-cars and parts thereof.

Ships (new) complete: steam vessels; motor vessels; steel or iron hulls.

Fire-fighting appliances.

Anti-gas apparatus and appliances including respirators.

Synthetic substitutes for uncoloured glass.

Oilskin fabric.

LIST B

List B, which is a prohibition of exports only as regards goods sent to foreign destinations, comprises only one item "rubber (including compounded rubber, vulcanite and ebonite), balata and gutta-percha and rubber scrap," under the heading of raw materials and articles mainly unmanufactured.

LIST C

The goods in List C are prohibited exports to all foreign countries in Europe or on the Mediterranean or Black Seas other than France, French colonies and protectorates. List C comprises:—

Spirits, table waters and wine (food and drink).
 Tobacco.
 Asbestos, raw and fibre.
 Diamonds, rough.
 Pyrites ash (residues and waste).
 Raw cotton, cotton linters and pulp or board made therefrom, and cotton waste, including those containing other materials.
 Artificial silk waste.
 Ramie.
 Tanning substances: gambier; myrobalans; sumach leaves; valonia; wattle bark.
 Tinned plates and sheets of iron and steel.
 Brass or any alloy containing copper, other than nickel alloys: ingots, blocks, slabs, billets, bars (including wire bars); wire in coils.
 Chromium metal and alloys containing chromium.
 Copper wire in coils.
 Forks for agricultural and horticultural purposes.
 Shovels and spades for all purposes.
 Scythes, sickles, and other agricultural and horticultural tools.
 Dairy and machinery including milking machines.
 Cotton yarns, including those containing other materials.
 Thread and straw of artificial silk.
 Ramie yarn.
 Binder and reaper twine.
 Extracts for tanning.
 Diamonds suitable for industrial use.
 Gramophone records, sound tracks, and any other sound records and any other kind of record requiring special processing or apparatus for its audible or visual reproduction.
 Animals for breeding; all horses (not for food).

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

MODIFICATIONS IN CONTROL OF IMPORTS

With reference to the notice in *Commercial Intelligence Journal* No. 1862 (October 7, 1939), page 672, concerning the United Kingdom import licensing system, an amplifying cablegram from Mr. H. A. Scott, Canadian Trade Commissioner in London, states that the open general licence for textile products from Empire sources applies to "manufactures, excluding apparel, wholly or mainly of wool, silk or artificial silk or mixtures thereof (other than printed tissue wholly of artificial silk); piece-goods of cotton or of cotton and wool, silk or artificial silk; apparel, the following: stockings and hose of cotton, shirts, collars and cuffs."

LICENCES NOT REQUIRED FOR TRANSHIPPED GOODS

With reference to the licensing system adopted in the United Kingdom under the Import, Export, and Customs Powers (Defence) Act, 1939, the Canadian Trade Commissioner's office in London advises that if goods are merely transhipped under Customs control the Department states that no import or export licence is required, but if goods are cleared through Customs the usual licences will be required for controlled goods.

IMPORTS OF OILS AND OIL FATS REQUISITIONED BY GOVERNMENT

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, has cabled that, according to an official press notice, on and after October 8 all imports of oilseeds, oils and fats, including marine, will be requisitioned on arrival in the United Kingdom, a licence from the Board of Trade being necessary for any dealings in such goods situate outside the United Kingdom.

(Oilseeds, oils and fats were already subject to Provisional Control Orders of September 4 and 11. See *Commercial Intelligence Journal* No. 1861: September 30, 1939, page 642).

WHEAT QUOTA PAYMENTS

With reference to the notices in *Commercial Intelligence Journal* No. 1849 (July 8, 1939), page 88, and No. 1855 (August 19, 1939), pages 345-6, the Wheat (Quota Payments: Standard Amount) No. 1 Order, 1939, made by the Minister of Agriculture and Fisheries, provides that the quota payment to be made to the Wheat Commission in respect of wheat flour imported into or milled in the United Kingdom shall, as from September 10, be levied at the rate of 21·6d. per cwt., or 4s. 6d. per sack of 480 pounds, subject to appropriate reductions from the standard rate as provided by the Wheat Amendment Act, 1939, in the case of flour for live stock. Prior to September 10 the rate was 26·4d. per cwt. on all wheat products which could be regarded commercially as flour.

MERCHANDISE MARKS COMMITTEE'S REPORT ON CASED TUBES

With reference to the notice in *Commercial Intelligence Journal* No. 1837 (April 15, 1939), page 561, to the effect that the Board of Trade had referred to the Merchandise Marks Committee an application for an Order in Council to require the marking with an indication of origin of cased tubes imported into the United Kingdom, the committee, after considering representations for and against marking, in a report presented to Parliament in August, 1939, stated that they reached the conclusion that on the evidence before them they could not recommend the making of an Order in Council to require compulsory marks of origin on imported cased tubes.

New Zealand

EXPORT PROHIBITION EMERGENCY REGULATIONS

A New Zealand Order in Council of September 6, 1939, established the "Export Prohibition Emergency Regulations, 1939," which became effective on September 8.

Under these regulations no person may export any goods without the permission in writing of the Minister of Customs. These regulations apply to all goods notwithstanding that a licence for their export may be in force under the Customs or any other Act or regulations. The granting of permission to export goods under the Export Prohibition Emergency Regulations does not absolve any person from the obligation to comply with the requirements of any other Act or regulations.

Australia

TARIFF AMENDMENTS, SEPTEMBER 9

With reference to the notices published in *Commercial Intelligence Journal* No. 1859 (September 16, 1939), page 563, and No. 1860 (September 23), page 608, regarding Australian customs amendments of September 9, further particulars of these changes have now been received by mail.

Following are the articles formerly prescribed by customs by-laws for admission under tariff Items 103B, 228A1, 229H3, 404A, and 415A1 free of duty under all tariffs but now prescribed by by-laws to be entered under Item 434 at 5 per cent ad valorem under British preferential tariff (applicable to Canada) and 20 per cent ad valorem under general tariff: soft fibreboard for use only in the manufacture of bags, suitcases, trunks and the like, covers for writing pads, picture frames, or dolls' perambulators; impregnated pulp board for use only in the manufacture of paper matches; carnauba wax, vegetable waxes, and various synthetic waxes for the manufacture of specified articles.

Articles formerly under Items 174, 404, and 415A2, free of duty under British preferential tariff and 15 per cent ad valorem under general tariff but now classified by by-laws under Item 434 at 5 per cent ad valorem under British preferential tariff and 20 per cent ad valorem under general tariff, include: buttons of bone, horn, vegetable ivory nut, or imitation vegetable ivory nut, in sizes up to and including 50 lines (1½ inch diameter) and in such colours and designs as are ordinarily used for men's apparel; bottle capsules composed wholly or chiefly of gelatine, casein, cellulose, or similar substances; drilled or undrilled handles for use in the manufacture of tooth brushes; soda bicarbonate, commercial or technical grades, not admixed or combined with other ingredients, in packages containing over 10 pounds; fibreboard of a quality or kind not being made in Australia; tissue paper to be used only for specified purposes in Australian manufactures; satin for use in the manufacture of cutlery, display, and ring cases; woven piece-goods of cotton, silk, artificial silk or combinations of these fibres, for the manufacture of brassieres and corsets; gelatine rings for use with caps for hermetically sealing bottles; white pine blocks for the manufacture of wooden matches; veneers of specified woods for the manufacture of enumerated musical instruments; ceresine, esparto, montan, and paraffine wax for specified purposes; iron and steel wire for use in the manufacture of mattress wire; tinned iron or steel wire for the manufacture of wire mattresses; braided wire, and plain or tinned steel wire of No. 15 gauge and finer, for use in the manufacture of pneumatic rubber tires.

The new item 122D reads as follows:—

	British Preferential Tariff	General Tariff
Cotton material of the type ordinarily used in the manufacture of pneumatic rubber tires, viz.:		
1. Cotton cord fabric and cotton tire fabric in the piece, being loosely woven or consisting of a number of lengths of cotton cord loosely held together by weft threads inserted at intervals	5%	25%
2. Cotton cord as prescribed by departmental by-laws	5%	25%

A by-law provides for admission under paragraph 2 of "cotton cord, combed Egyptian, for use in the manufacture of pneumatic rubber tires."

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

Leeward Islands

IMPORT RESTRICTIONS UNDER DEFENCE REGULATIONS

The Leeward Island *Gazette* of September 19, 1939, announced prohibition of import, except under special licence, from countries in which payment in sterling is not accepted, of many classes of goods not shipped before September 19. The restricted list includes the following:—

Spirits and other beverages; butter and butter substitutes; coffee; confectionery; fruit and nuts; rice; beans and peas; farinaceous preparations; jams, jellies, and preserved fruits; meats (smoked or cured); pickles, condiments, and sauces; refined sugar; tea; tobacco and snuff (cigarette); vegetables, canned; shingles; apparel; arms, ammunition and explosives; motor cars; motor lorries; cement; cork manufactures; enamelware; glass and glassware; haberdashery and millinery; hardware; hosiery; jewellery; sewing machines; matches; metal (manufactured); musical instruments; fuel oils; gasolene; kerosene; oil-cloth and linoleum; paints and colours; perfumery; ships and boats; silk and silk manufactures; soap; stationery; toys and games; wood and timber (manufactured); wool and woollen manufactures.

With regard to a further list of goods under licence, comprising cheese; oats; tobacco and snuff, unmanufactured; vegetables, potatoes, other than sweet; wood and timber, other than shingles; boots, shoes and slippers; motor

ear parts, including tires; cotton manufactures; electrical supplies; medicines and drugs; and paper manufactures, it is stated the Governor will be prepared to consider individual applications for licences where very special consideration may exist.

The purpose of these restrictions, it was stated by the Governor of the Leeward Islands in an address to the Legislative Council of Antigua, is to prohibit or to reduce to the barest minimum the import, and no doubt in time the manufacture and use, of luxuries and non-essentials, and to restrict to absolute necessities the import of goods from countries where the pound sterling may be of low value. He observed that essential imports such as flour, cornmeal and fish are not included in the list of articles under licence. The large imports of essential food supplies from Canada and the United States, the Governor said, remain unaffected, and, as to commodities on the list, any particular need can be met by special licence. Of the import trade from Canada in foodstuffs, valued at £116,363 in 1938, the Governor remarked that items to a value of £106,442 are unaffected, and of the balance of £9,921, a total of £4,325 represents articles on the list which are the subject of special review.

Provision is made for exempting commercial travellers' samples, baggage and private effects, British returned goods, and bona fide gifts sent by parcel post.

Newfoundland

FOREIGN EXCHANGE CONTROL REGULATIONS

Under Section 1 of the Defence Act of Newfoundland, 1939, published in the *Newfoundland Gazette* of September 5, 1939, power was given to the Newfoundland Governor in Commission to make war regulations for certain purposes among which were included: "For controlling foreign exchange transactions and in connection therewith for licensing exports and imports and for providing for the declaration by persons resident or being in Newfoundland of their holdings of foreign exchange and foreign securities and for requisitioning the same if deemed desirable."

In accordance with these powers, the Newfoundland Governor in Commission issued foreign exchange control regulations, effective September 16 (published in the *Newfoundland Gazette* of September 19), which were similar to those issued by the Foreign Exchange Control Board of Canada, effective the same date, and summarized in *Commercial Intelligence Journal* No. 1860 (September 23, 1939), page 569.

According to the Newfoundland regulations, "foreign currency" means any currency other than Canadian dollars, and a "resident" means any person ordinarily resident in Newfoundland or in Canada.

In view of these rulings, no exchange permits are required in order to import goods from or export goods to Canada provided there is no transaction in "foreign exchange." It is necessary, however, as is the case of Canada trading with Newfoundland, that export or import licences, as the case may be, be obtained by the Newfoundland exporter or importer. It is, further, possible for a resident in Newfoundland to make payment in Canadian dollars to a resident in Canada without an exchange permit.

CUSTOMS VALUATION OF BRITISH AND UNITED STATES CURRENCY

The *Newfoundland Gazette* of September 19 announces that under Section 108(2) of the Customs and Excise Act, 1938, the Board of Customs ordered that, as from September 21 until further notice, in computing the value for duty of goods imported into Newfoundland the pound sterling of Great Britain is to be converted at \$4.45 and the United States dollar at \$1.10.

British Malaya

IMPORT PROHIBITIONS IN CERTAIN AREAS

The weekly *Journal* of the United Kingdom Board of Trade reports receipt of advice that in the Straits Settlements and Federated Malay States importation of several articles is prohibited, as from September 17, from all countries not on sterling basis. The articles restricted in this way include electrical goods and apparatus, machinery, various textiles and apparel, leather and manufactures thereof, vehicles, rubber manufactures, proprietary medicines, lamps and lanterns, musical instruments and parts, dutiable drinks and tobacco, and a few other commodities.

France

IMPORT LICENCES REQUIRED

A French decree of September 1, 1939, prohibits, except under licence, the importation into France and Algeria of foreign goods of any kind, except gold in all its forms.

A Ministerial Order, published at the same time as the decree, exempts from the prohibition any goods which were not subject to quotas or restrictions prior to September 1 and which can be proved were sent direct to France or Algeria before that date. Exemption is also made for goods which were subject to quota or other restrictions before September 2 and for which licences or quota certificates were granted before that date, provided importation is made before the expiration of normal validity of the licences.

Requests for import licences for foreign merchandise must be addressed by the importer to the proper French authority, depending upon the classification of the goods. The period of validity of the licence is three months for imports from European countries and four months for imports from countries outside of Europe.

EXCHANGE CERTIFICATES

Under a decree of September 9, 1939, all imports into France and Algeria are subject to certificates issued in advance, attesting either that the delivery of foreign currency necessary to effect payment for the goods has been authorized or that the importer declares that the importation does not require payment in foreign currency. The exchange certificates will be issued at the same time and by the same authority as the import licence referred to in the decree of September 1.

Netherlands

MINISTRY EMPOWERED TO CONTROL IMPORTS

Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, advises that an emergency import law, dated September 9, 1939, has been promulgated by the Netherlands Government, "having taken into consideration that it is necessary to lay down regulations regarding the importation of goods in times of war, danger of war, or other extraordinary circumstances." The law empowers the Ministry concerned to prohibit importation into the Netherlands of merchandise to be designated, unless such importations have been approved by a covering import permit issued by or on behalf of the Ministry of Economic Affairs. The dates on which provisions of this law become effective are to be fixed by decree, which is to be followed within two weeks by an implementing Bill submitted to the States-General. If the Bill is rejected, the decree is to be withdrawn. Writing under date September 20, Mr. Langley reported that the list of commodities to come under the new legislation had not been made public.

Norway

EXPORT RESTRICTIONS

Mr. T. J. Monty, Acting Canadian Trade Commissioner at Oslo, writes that, effective September 11, Norway, in order to control exports, has subjected all goods, with certain exceptions, to export permits which must be obtained from the Norwegian Board of Trade Licence Office. The exceptions are a restricted list including certain wood products and manufactures thereof, such as furniture, veneer, brushes, and matches; paper products; stone and cement; pottery.

Sweden

EXPORT CONTROL

Mr. T. J. Monty, Acting Canadian Trade Commissioner at Oslo, writes that the Swedish Board of Trade has issued an order, effective September 8, 1939, subjecting practically all goods exported from Sweden, including pulp and paper, to an export licence which will be issued by an Agricultural Committee or a Trade Licence Committee, depending on the class of goods to be exported.

Imports of coffee, coffee substitutes, tea, unground pepper, cardamom, cocoa beans and powder were made subject to import licences as from August 28, and coal, coke, and coal briquets as from September 22.

Denmark

EXPORT CONTROL

Mr. T. J. Monty, Acting Canadian Trade Commissioner at Oslo, writes that, effective August 24, 1939, all exports of feeding-stuffs from Denmark were temporarily prohibited, and on August 26 this prohibition was extended to apply also to milled and unmilled wheat, rye, barley, oats, and maize. In certain cases the State Grain Office may grant dispensations from this prohibition. A law of September 9 subjected a wide range of goods to export permits, which must be obtained from the Danish Ministry of Trade, Industry, and Shipping. The restricted export list included, among other goods, raw wool and cotton, hides and skins, oils, fuels, chemicals, drugs, minerals, metals, fertilizers, foods and spices, whale fats, tobacco, footwear, rubber, and wood-pulp.

On September 4 the Ministry of Agriculture and Fisheries announced that all imports of unmilled wheat and rye must be made through duly authorized importers.

Finland

IMPORT AND EXPORT CONTROL

Mr. T. J. Monty, Acting Canadian Trade Commissioner at Oslo, writes that, effective September 18, 1939, all imports into Finland are subject to licence. Export permits are also required for all exportable goods.

Mexico

TARIFF INCREASES ON COPPER WIRE AND CABLE

Mr. R. T. Young, Canadian Trade Commissioner at Mexico City, writes that, effective October 4, extensive increases have been made in the Mexican tariff on copper wire and cable. The tariff changes are as follows:—

Wire of copper or its alloys, uncovered, having one single filament, 1 millimetre in diameter, raised from 0.40 to 0.80 peso per kilo (from 4 to 8 cents per pound); wire of copper or its alloys, uncovered, having one single filament, more than 1 and up to 5 milli-

metres in diameter, raised from 0.30 to 0.70 peso per kilo (from 3 to 7 cents per pound). The duty rate of 0.30 peso per kilo (3 cents per pound) on uncovered cable of copper and its alloys has been cancelled and replaced by four new items, viz: wire of copper or its alloys, uncovered, having one single filament, more than 5 millimetres in diameter, in rolls or on reels, 0.60 peso per kilo (6 cents per pound); cable of copper or its alloys, uncovered, formed by twisting from 2 up to 10 filaments, 0.60 peso per kilo (6 cents per pound); formed by twisting more than 10 and up to 20 filaments, 0.80 peso per kilo (8 cents per pound); formed by twisting more than 20 filaments, 0.90 peso per kilo (9 cents per pound).

On wire of copper or its alloys, having one single filament, tinned or paper covered, with insulating covers made of rubber, cotton or asphalt, when the filament is 1 millimetre in diameter the duty is raised from 0.30 to 0.90 peso per kilo (from 3 to 9 cents per pound); when the filament is more than 1 and up to 5 millimetres in diameter, from 0.20 to 0.90 peso per kilo (from 2 to 9 cents per pound); when the filament is more than 5 and up to 10 millimetres in diameter, from 0.30 to 0.70 peso per kilo (from 3 to 7 cents per pound); when the filament is more than 10 millimetres in diameter, from 0.30 to 0.60 peso per kilo (from 3 to 6 cents per pound).

Certain cables which were formerly tariffed at 0.30 peso per kilo (3 cents per pound) as cables of base metals and alloys thereof, insulated, not armoured, are now separately classified at increased rates of duty as follows: cables of copper and its alloys, tinned or paper-covered, with rubber, cotton or asphalt insulating covers, formed by twisting from 2 up to 10 filaments, 0.80 peso per kilo (8 cents per pound); formed by twisting more than 10 and up to 20 filaments, 1 peso per kilo (10 cents per pound); formed by twisting more than 20 filaments, 1.10 peso per kilo (11 cents per pound); cables lined with rubber and layers of cotton, not weatherproof or asphalted, formed by twisting from 2 up to 10 filaments, 1 peso per kilo (10 cents per pound); formed by twisting more than 10 and up to 20 filaments, 1.20 peso per kilo (12 cents per pound); formed by twisting more than 20 filaments, 1.40 peso per kilo (14 cents per pound).

In all cases the duty is based upon the gross kilo. The millimetre equals 0.003282 inch.

Venezuela

TARIFF REDUCTIONS

(The bolivar equals about 31 cents Canadian; one kilogram equals 2.204 pounds)

Mr. W. J. Riddiford, Canadian Trade Commissioner in Panama, advises under date September 28 that he has received advice from the Commercial Secretary of the British Legation at Caracas, Venezuela, that the Government of Venezuela, in order to offset rise in prices abroad, has lowered the import duties on certain foodstuffs as follows: lard, from 1.20 to 0.80 bolivar per kilo (from 17 to 11½ cents per pound); butter, from 2.40 to 2.20 bolivars per kilo (from 34 to 31 cents per pound); potatoes, from 0.18 to 0.10 bolivar per kilo (from \$1.50 to 85 cents per bushel); oats, from 0.20 to 0.10 bolivar per kilo (from 96 to 48 cents per bushel); wheat, from 0.30 to 0.11 bolivar per kilo (from \$2.50 to 93 cents per bushel); crushed wheat, from 0.38 to 0.28 bolivar per kilo (from 5¼ to 4 cents per pound); wheat flour, from 0.40 to 0.26 bolivar per kilo (from \$11 to \$7.20 per barrel).

Venezuela has also removed the control over the importation of potatoes previously in effect.

TENDERS FOR SUPPLIES FOR GOVERNMENT HOSPITALS IN WESTERN AUSTRALIA

The Canadian Trade Commissioner at Melbourne, under date September 13, reports that the Department of Public Health of the Government of Western Australia invites tenders for supplies of chemicals, drugs, druggists' sundries, and apparatus for government departments, hospitals, etc., in the State of Western Australia.

Tender forms, which include lists of supplies for which tenders are required, are available to interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa, quoting file No. 31345. The closing date for submitting tenders is November 16, 1939.

Tenders may be submitted by Canadian exporters direct, but it would be advisable to have the assistance of a local agent, as tenderers in Canada must quote for goods delivered free into government store, Fremantle, Western Australia. The Canadian Trade Commissioner at Melbourne will be pleased to nominate representatives at the request of Canadian exporters.

If a tender is accepted, it is not necessary for an agent in Western Australia to carry stocks. If preferred, it could be a condition stipulated by the tenderer that the full quantity of the tender be indented in one shipment.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Colombia

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, September 30, 1939.—The exchange situation in Colombia remains unchanged, the Exchange Control Board, in co-operation with the Banco de la Republica, continuing to supervise and regulate strictly all foreign exchange transactions as well as import trade. The Colombian peso is firm at U.S.\$1 equals Colombian peso 1·75 and there does not appear to be any shortage of foreign exchange, particularly in United States and Canadian dollars. It is too early to determine what effect the war in Europe will have on Colombia, but any setbacks which may be suffered by coffee are likely to be more than offset by increased activity in, and returns from, the rapidly expanding Colombian petroleum industry.

Importers are required to apply for import licences and supply full details regarding each foreign trade transaction. Import licences in the case of approved applications are issued in duplicate and consist of order forms bearing the endorsement of approval of the Exchange Control Board. The original will be sent by the importer to the exporter, who will be unable to complete his consular invoices and documentation without it.

After goods have been cleared through the Colombian Customs, importers must resubmit to the Exchange Control Board their import licences accompanied by a request for permission to purchase the necessary foreign exchange to cover the transaction in question and remit it abroad.

Foreign exchange is allotted each week by the Exchange Control Board in strict rotation based upon date of application, and the total amount of foreign exchange allotted weekly for remittance abroad is not permitted to exceed the total amount purchased by the Banco de la Republica during the same week. Preference seems to be given to applications to purchase and remit foreign exchange in respect of raw materials, agricultural and industrial machinery, and other "necessary" items as compared with general merchandise.

While there have been cases of delays in obtaining payments for Canadian exports, these are found usually to be attributable to causes other than a shortage of foreign exchange. The balance of payments as between Canada and Colombia is considerably in favour of Colombia and ordinarily, therefore, there should be no unusual delay in respect of applications for exchange and remittance to pay for imports from Canada. Canadian exporters should keep in mind, however, the fact that there is always a delay in receiving payments from Colombia due to imperfect internal communications between ports of entry and the capital city, Bogota, and also due to the rotatory Exchange Control Board formalities to be observed. In dealing with importers of first-class standing remittances should go forward to Canada within 30 days of receipt of merchandise. Recently it has been made possible for imports to be paid for in full or in part in advance, providing the importer establishes with the Exchange Control Board a bank or cash guarantee amounting to 10 per cent of the total value of the merchandise specified in the relevant import licence.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 10, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, October 10, 1939, and for the week ending Monday, October 2, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 2	Nominal Quotations in Montreal Week ending Oct. 10	Official Bank Rate
Belgium	Belga	.1001	\$.1869	\$.1858	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2140	.2142	3½
Finland	Markka	.0252	.0210	.0209	4
France	Franc	.0392	.0253	.0253	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	3
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0081	.0082	6
Holland	Guilder	.4020	.5913	.5896	3
Hungary	Pengo	.1749	.3275	.3275	4
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0256	.0259	5
Norway	Krone	.2680	.2518	.2521	3½
Portugal	Escudo	.0442	.0405	.0405	4-4½
Roumania	Leu	.0060	.0083	.0083	3½
Spain	Peseta	.1930	.1120	.1127	5
Sweden	Krona	.2680	.2639	.2642	2½
Switzerland	Franc	.1930	.2503	.2492	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2209	.2196	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0253	.0253	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0253	.0253	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso	.4245	.....	.2609	3½
	Unofficial		.2607	.....	—
Brazil	Milreis (Paper)	.1196	.0672	.0673	—
	Unofficial		.0557	.0560	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Unofficial		.0444	.0444	—
Colombia	Peso	.9733	.6343	.6343	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.5856	.5888	—
	Unofficial		.4335	.4335	—
South Africa	Pound	4.8666	4.4700	4.4700	3½
Egypt	Pound (100 Piastres)	4.9431	4.5732	4.5900	—
China (Shanghai)	Dollar	.....	.0801	.0823	—
Hongkong	Dollar	.....	.2780	.2796	—
India	Ruppee	.3650	.3354	.3367	3
Japan	Yen	.4985	.2613	.2615	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4086	.4105	—
Straits Settlements	Dollar	.5678	.5226	.5248	—
Australia	Pound	4.8666	3.57½	3.57½	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Rumours of European peace proposals during the earlier half of the week ended October 7 lent strength to sterling free rates at New York. Quotations touched a peak of \$4.05½ on the 4th, or slightly above the official selling rate of \$4.04 set by the Bank of England early in September. However, subsequent weakness brought rates down to \$4.02 by the close, which compared with \$4.01½ on October 2. An irregularly easier tendency for Canadian funds moved rates down to 88½ cents by October 6, though sharp recovery on the following day lifted them back to close unchanged at 89½ cents. The Foreign Exchange Control Board's buying and selling rate for both sterling and United States funds remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. French francs were steady, closing at 2.54 cents, while neutral European currencies were generally lower. Between October 2 and 7, Belgian belgas declined 8 points to 18.61 cents, while Dutch florins eased 11 to 59.02 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Dishes, Earthenware and Semi-porcelain	424	Havana, Cuba	Agency.
Rubber Footwear	425	Oslo, Norway	Agency.
Leather Footwear (for Men and Women)	426	Oslo, Norway	Agency.
Wax (Paraffin) for Coating Foil with Paper	427	Oslo, Norway	Purchase and Agency.
Caps for Collapsible Tubes	428	Oslo, Norway	Purchase and Agency.
Cloth and Millboard (Asbestos)	429	Oslo, Norway	Agency.
Metal Dyes (Colouring Powder) for Printing on Aluminium Foil	430	Oslo, Norway	Purchase and Agency.
Rope and Pipe Laggings for Insulation Purposes, etc. (Asbestos)	431	Oslo, Norway	Agency.
Water-softening Systems	432	Havana, Cuba	Agency.
Compound for Cable-joint Boxes	433	Sydney, Australia	Purchase or Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

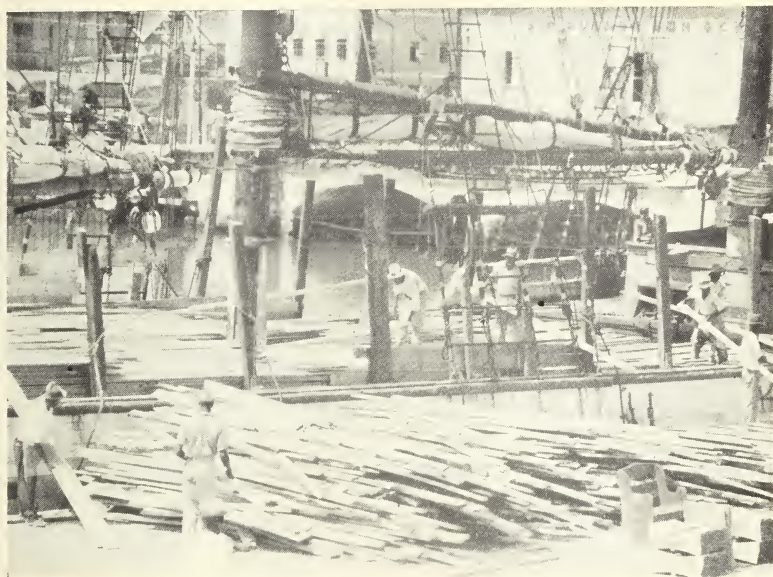
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COMMERCIAL INTELLIGENCE JOURNAL

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Ottawa, October 21, 1939

No. 1864



Schooner Unloading Canadian Lumber at Barbados



ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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No. 1864

CONTROL OF UNITED KINGDOM IMPORT TRADE

With reference to the report published in *Commercial Intelligence Journal* No. 1859 (September 16, 1939), pages 521-6, respecting control of United Kingdom import trade, the Import Licensing Department of the Board of Trade on September 28 issued Notice to Importers No. 2, making certain modifications in the list of goods the importation of which into the United Kingdom became subject to licence as from September 5, as follows:—

1. The Board of Trade have issued an Open General Licence under the Import Prohibition (No. 1) Order, 1939, authorizing, as from 30th September, 1939, until further notice, the importation into the United Kingdom of the goods listed below if consigned from any part of the British Empire except Palestine and Transjordan. Imports of these goods may, therefore, be effected, without further licensing if consigned to the United Kingdom from a British Empire territory (except Palestine and Transjordan). The goods so affected are the following:—

Manufactures, excluding apparel, wholly or mainly of wool, silk or artificial silk or mixtures thereof (other than printed tissue wholly of artificial silk).

Piece-goods of cotton or of cotton and wool, silk or artificial silk.

Linen and hemp manufactures including manufactures of flax or hemp mixed with other materials, the following:—

Damask table linen.

Handkerchiefs.

Towels of all descriptions.

Other made-up linen goods of a description commonly used for domestic purposes.

Embroidery and embroidered articles, not elsewhere specified, which at any stage of manufacture have been subjected, as to the whole or a part thereof, to a process of embroidery by hand or machine needlework or to a process producing a similar effect, other than apparel or embroidery on tissues containing silk or artificial silk.

Apparel, the following:—

Stockings and hose of cotton.

Shirts, collars and cuffs.

Shellfish, fresh for food.

Fruit crystallized, glace or metz, drained or otherwise preserved (including candied peel and ginger).

Fruit juices.

Biscuits.

Isinglass.

Nuts used as fruit.

Fruit, fresh or raw, other than apples, pears, bananas, oranges, grape fruit, lemons, limes and other citrus fruits.

Meat extracts and essences.

Fresh vegetables other than potatoes, tomatoes and onions.

Dry earth colours.

Brooms and brushes (not being brushes designed for use solely as parts of machinery) and parts thereof.

Buttons.

Sports, games, gymnastics and athletics—appliances, apparatus, accessories and requisites therefor (other than untrimmed natural silkworm gut in hanks or bundles) and parts thereof.

2. In the first Notice to Importers, issued on the 3rd September, it was notified that in respect of certain categories of goods, marked with an asterisk on the prohibited list, no import licences would be issued until further notice. To this list there are now added the following:—

Dead poultry and game (other than chickens and turkeys).

Poultry and game preserved in airtight containers.

3. The Import Licensing Department are now prepared when there are special circumstances to consider applications for import licences in respect of the following goods which were marked with an asterisk in the list accompanying the first Notice to Importers:—

Machinery:

- Cash registers and parts thereof.
- Dry cleaning and laundering machines, the following:—
 - Cleaners and washers.
 - Driers.
 - Wringers.
 - Ironing machines.
 - Any combination of the above machines.

Embroidery:

- Embroidery and embroidered articles, not elsewhere specified, which at any stage of manufacture have been subjected, as to the whole or a part thereof, to a process of embroidery by hand or machine needlework or to a process producing a similar effect.

Leather manufactures:

- Goods manufactured wholly or mainly of leather other than the following:—
 - Saddlery and harness.
 - Trunks, bags, wallets, pouches and other receptacles, whether fitted or not, of leather or of material resembling leather.

Chemicals, etc.:

- Dry earth colours.

Miscellaneous manufactures:

- Fur and other skins, dressed (except leather), including pieces and manufactures wholly or partly thereof.
- Musical instruments, including gramophones, pianolas and other similar instruments and accessories and component parts of musical instruments.
- Plumage (other than plumage of birds imported alive and of birds ordinarily used in the United Kingdom as articles of diet) required for museums or scientific research.
- Fruits crystallized, glace or metz, drained or otherwise preserved (including candied peel and ginger).
- Biscuits.

4. The Import Licensing Department are also prepared to consider applications for licences for any goods in the prohibited list (whether asterisked or not) in cases where it is shown that they were paid for prior to the 5th September, 1939.

The earlier Notice to Importers, containing the list of restricted imports, which is amended by Notice No. 2, has been widely circulated among Canadian export interests as mimeographed F.T.D. Leaflet No. 129. Copies of the above amendment, which will be reprinted as F.T.D. Leaflet No. 129A, may be had on application to the Department.

WAR CONTROL OF CEREALS AND CEREAL PRODUCTS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, September 26, 1939.—In common with many other staple commodities, cereals and cereal products were brought under the control of the United Kingdom Government immediately on the outbreak of war at the beginning of this month.

Under Statutory Rules and Orders, 1939, No. 1035, dated September 3, the United Kingdom Board of Trade enacted that every person, other than a miller, owning, possessing, or having power to dispose of any stocks in or arriving in the United Kingdom, either afloat or in public storage, is required to place the whole of such stocks at the disposal of the Port Area Grain Committee, except those stocks in the country which do not exceed 50 long tons. Every person owning or having power to dispose of stocks situate outside the United Kingdom and exceeding 100 long tons shall comply with such directions as may be given by the Board of Trade for the purpose of transferring such stocks to the Board of Trade.

It is further provided that no person shall carry on any transaction affecting such goods outside the United Kingdom without a licence granted by the Board of Trade.

This order affects wheat, corn and kaffir corn, barley, oats, rye, millet, canary seed, dari, peas, beans (except soya), lentils and all other pulse and grain (except rice).

The specified Port Area Grain Committees are at London, Bristol, Liverpool, Hull, Glasgow, Leith, and Belfast.

CONTROL OF MILLS IN THE UNITED KINGDOM

By Statutory Rules and Orders, 1939, No. 1037, all mills in the United Kingdom were taken under control and required to supply details of their capacity and facilities. Since noon on September 4, no miller has been allowed to mill or deliver any cereal or cereal product except under licence, although a general licence was granted to millers and compounders to mill and deliver until further notice provided they furnish returns required by the Board of Trade and provided they sell at the prices fixed by law. No flour-miller shall produce any flour other than straight-run, except under authority. Straight-run is defined as "flour produced in the United Kingdom by running together all the flour streams of a milling plant which is set to separate as flour not less than 70 per cent of the total weight of clean wheat which is the feed to the break rolls." A fixed price of 22s. per 280 pounds delivered is set for straight-run flour; this is equivalent to 21s. per 280 pounds for "basis" flour as commonly known in the trade in the United Kingdom. This price is to be increased by the amount of any quota payments under the Wheat Acts. Further, no sales are to be made for delivery more than seven days after date of sale.

SALES OF IMPORTED FLOUR

Canadian export patent grade will be sold delivered at the basic price of 22s. and any higher grades must sell at the customary differences over the export grade. All other imported flour must be sold at the basic price.

Sales at 9d. per 280 pounds less than the basic delivered price may be made by importers to flour factors or agents, but the quantity to be sold by an importer to any factor or agent is strictly limited to the average monthly quantity sold by that importer to that factor or agent during the twelve months ended June 30, 1939.

Semolina may be delivered, under licence, at a fixed price exceeding the basic price by 2s. per 280 pounds.

Importers of Canadian flour have been requested to make a return showing the brands they import, the grades and the customary differences in price between each grade and the export patent grade.

Importers are to render invoices for flour arrivals at the c.i.f. settling price but should pass the customs entries, pay quota and all landing and storage charges on behalf of the Port Area Grain Committee, showing these items separately in the invoice and attaching to it a transfer order. Any claims must be settled by the importer and are adjusted with the committee later.

LIABILITY FOR INSURANCE

The liability in respect of all insurable risks on stocks outside the United Kingdom acquired from millers by Port Area Grain Committees is undertaken by the United Kingdom Government when the property in the stocks passes to them; that is, when delivery is made.

The liability in respect of stocks acquired by millers from the Port Area Grain Committees is for the account of the miller when delivery is made.

GENERAL WORKING OF CONTROL

In summary, it may be said that all sales of cereals and cereal products for import from abroad are made by agents making offers to the Cereals Control Board (offices at Godstone, Surrey), and such offers are considered and accepted or rejected in accordance with usual trade practice. Distribution is effected through the Port Area Grain Committees.

UNITED KINGDOM WAR BUDGET

H. A. SCOTT, ACTING CHIEF CANADIAN TRADE COMMISSIONER
IN THE UNITED KINGDOM

London, September 28, 1939.—In introducing his emergency budget yesterday, the Chancellor of the Exchequer recalled that, according to his April budget, he had to provide for an estimated expenditure of £1,322,000,000, of which £630,000,000 represented defence expenditure. The budget proposals were calculated to raise from revenue £942,000,000, leaving £380,000,000 to be borrowed within the present financial year.

In the meanwhile, due to the crisis in the summer and the subsequent outbreak of war, requirements have mounted rapidly, with the result that a total outlay of £2,000,000,000 is anticipated before the fiscal year closes at the end of March next. At the same time the original April estimate of revenue from existing taxation (£942,000,000) has had to be revised. Present taxation is now expected not to exceed £890,000,000.

In view of the unprecedented scale on which money will be needed over the whole period of the war, the Chancellor said that it was obviously impossible to provide the whole of the expenditure by taxation, and it is necessary to supplement the provisions from revenue by large national defence loans. As regards borrowing, the time is not considered favourable for the issue of a new national loan, but when arrangements are completed it is stated that various types of loans will be offered to suit all types of institutions and individuals.

In this connection, and in view of the enormous government demands on industry, the Government will make efforts to obtain a corresponding reduction in civilian requirements. The Chancellor announced that restrictions will have to be enforced to prevent wasteful or unnecessary use of resources and to limit the consumption of a long list of articles.

Apart from government demands, only two other branches of activity will be regarded as paramount, namely, the increase of food production in the United Kingdom and the maintenance of export trade. The Government intend to do everything possible, consistent with the overriding war need, to enable traders to fulfil export orders and to ensure that the country's export capacity is used to the best advantage.

DIRECT TAXATION

The chief change in taxation proposed is the increase of 2s. (from 5s. 6d. to 7s. 6d. in the pound) in the income tax, which is estimated to produce £70,000,000 this year and £146,000,000 in a full year. The surtax on high incomes and the rates of estate duty have both been substantially advanced. These additions are calculated to bring in £6,500,000 this year and £14,000,000 in a full year.

The Chancellor also stated his intention of introducing an excess profits tax on the model of the existing armaments profits duty, applying to trade and industry generally. This tax will amount to 60 per cent on the profits of any trade or business since March 31, 1939, over the profits for the pre-war standard. No estimate of the yield from this taxation can at present be given, but it is unlikely to be very productive during the current year.

INCREASES IN CUSTOMS AND EXCISE DUTIES

In the field of indirect taxation, increases are introduced as follows: On beer there is an addition to the duty of 24s. per 36 gallons. This makes the present full and preferential rates of customs duty on beer £3 8s. 5d. and £2 8s. 5d. respectively per 36 gallons of a specific gravity of 1,027 degrees, or less, with corresponding adjustments for other qualities. There is an additional 10d. per 36 gallons of any gravity on account of hop duty.

The increase in the duty on spirits is 10s. per proof gallon in the basic duty, while the increase in the import rate on light wines is to be 2s. a gallon, and on heavy wines 4s. a gallon.

On tobacco the basic duty is at present 11s. 6d. per pound (full) and 9s. 5½d. per pound (preferential). These are raised to 13s. 6d. per pound (full) and 11s. 5½d. per pound (preferential).

There is also an increase in the sugar duties which is equivalent to 1d. per pound on the fully refined product, with corresponding increases on molasses, glucose and saccharin.

All these new duties are now in effect.

The adjustments under indirect taxation are calculated to produce about £30,500,000 in the present year and £53,500,000 in a full year. The total benefit to the Treasury of the combined increases is computed at £226,000,000 in a full year.

In spite of the heavy burdens which the budget imposes, it appears to have been received with equanimity, and the straightforward nature of its proposals is generally recognized.

WHEAT AND FLOUR TRADE OF NEW ZEALAND

W. F. BULL, CANADIAN TRADE COMMISSIONER

(Conversions are on the basis of \$3.50 Canadian to the New Zealand pound, the rate at which the New Zealand pound was quoted on the date of this report)

Auckland, September 16, 1939.—With a population of 1,500,000 people, New Zealand requires approximately 9,000,000 bushels of wheat per year for all purposes. Some 7,000,000 bushels are ground to produce 150,000 tons of flour. Feed absorbs 1,500,000 bushels and seed requires 500,000 bushels. For the most part New Zealand is a net importer, although in two recent years—1929 and 1933—production exceeded consumption and exports of 500,000 and 1,000,000 bushels respectively were made.

The following table shows the imports of wheat during the four and a half calendar years from 1935 to June 30, 1939:—

	1935	1936	1937	1938	Jan.-June, 1939
Australia Bu.	188,526	340,255	1,463,476	3,373,556	2,537,281
\$	139,688	183,813	1,493,975	2,682,088	1,279,411
Canada Bu.	69,478	166,886	119,475	71,313	75,066
\$	70,231	168,402	217,591	130,487	82,334
Total Bu.	258,004	407,141	1,582,951	3,444,869	2,537,281
\$	209,919	352,215	1,711,566	2,812,575	1,361,745

PRODUCTION

Every encouragement is given to farmers to produce wheat. This policy has been in effect for many years. However, as wheat is grown by mixed farmers, the price of lamb and wool largely determines the acreage sown to wheat. The latter has ranged from 185,000 acres in 1938 to 302,000 acres in 1933, the average over the last ten years being 241,356 acres. The 1938-39 crop was reaped off 193,332 acres. Figures are not yet available covering plantings for the 1939-40 crop but it is expected that the acreage will be increased as a result of the war.

Practically all the wheat is grown in the South Island of New Zealand, and 80 per cent of the crop is produced in the Canterbury District. The climate is temperate and the rainfall varies from 20 to 30 inches per annum in different localities. Yields are high, averaging better than 32 bushels per acre over the past ten years and ranging from a yearly average of 24.49 bushels in 1932 to 36.45 bushels in 1933. The average total production over the past ten years was 7,506,094 bushels per annum. New Zealand wheats are described as mostly of the white variety and compare favourably with Victorian and New South Wales f.a.q.

The following table shows the acreage sown to wheat and the total production in the past five crop years:—

	Acres	Bushels
1934-35	225,389	5,933,248
1935-36	252,423	8,859,223
1936-37	221,790	7,168,963
1937-38	191,842	5,397,397
1938-39	193,332	5,564,136

FLOUR

Prior to March 11, 1936, Canadian millers sold a substantial volume of top grade bakers' flour in New Zealand. Imports from Canada and the United States averaged approximately 10,000 tons a year. On the above date the New Zealand Government prohibited the importation of flour, and took control of the wheat imports. All flour consumed in New Zealand is now milled in this Dominion. There are 45 flour mills in operation, ranging in output from 500 tons to 30,000 tons per year and having a total annual production of 150,000 tons. The flour mills are all privately owned, mostly by small limited liability companies.

As mentioned above, practically all the wheat is produced in the South Island, but two-thirds of the population lives in the North Island and one-third of the flour is produced in the North Island. Each mill extracts all the flour possible in one straight line and no attempt is made to extract patents or other grades.

Baking is carried on by approximately 800 bakers. Those in the cities have modern machine bakeries equipped with up-to-date imported machinery. Per capita consumption of bread averages a half-pound per day, the consumption of flour being 180 pounds per head per annum.

GOVERNMENT REGULATIONS

The wheat and flour trade is controlled by the Board of Trade (Wheat and Flour) Regulations, operated and administered by the Wheat Committee, working under the Minister of Industries and Commerce. There is actually a tariff providing for a sliding scale of duty on importations of wheat and flour, but under the present regulations this duty does not operate. When the sliding scale of duty was in operation, higher-priced Canadian wheat and flour paid lower duties than cheaper Australian wheat and flour.

For the past two years the price of wheat has been set at 5s. 9d. (\$1 at the current rate of exchange) per bushel, f.o.b. nearest port, sacks extra, and the same price has been set for the 1940 harvest. This price gives the grower approximately 5s. 3d. (92 cents) per bushel on his farm for bare wheat.

In an effort to increase the production of Marquis wheat (which when blended with the ordinary Tuscan variety improves the quality of New Zealand flour) the Government is paying the farmer this year a bonus of 6d. (8½ cents) per bushel on all Marquis wheat, making the price of this variety approximately \$1.08½ per bushel f.o.b.

Wheat may be delivered up to 15·5 per cent moisture content without any adjustment in price, but where wheat contains more than 15·5 per cent an adjustment is provided for. The method of determination is the Carter Simon process, and any dispute in regard to the findings is to be referred to the Wheat Research Institute, whose decision is final. For wheat containing between 15·6 and 16·5 per cent of moisture a deduction of 4d. (\$0.06) per bushel is made. Millers are prohibited from accepting, and farmers from delivering, as f.a.q. milling wheat any wheat containing more than 16·5 per cent moisture.

The embargo on the importation of wheat and flour leaves the whole of the domestic market to the New Zealand wheat-grower and flour-miller. When local production falls short of the demand, the Wheat Committee on behalf of the Government imports wheat and distributes it among the mills. The mills have a sales quota based on the average of the volume of flour milled in 1933, 1934, and 1935. Both the buying of wheat for the miller and the selling of flour to the baker is done through the Wheat Committee.

The price the miller pays for his wheat and the price he gets for his flour is fixed by the Government, so his only chance of increasing profits is to increase his efficiency. Profits in the milling business are not large but most mills are able to make a fair return on their investment and pay dividends.

Actually the price paid to the farmer is based on 5s. 9d. f.o.b. his nearest port, while the price paid by the miller for wheat is based on 4s. 9d. f.o.b. the growers' nearest port. This is equivalent to a subsidy of 1s. (17 cents) per bushel to the farmer. By means of this subsidy the price of wheat can be kept at an attractive level, while the price of bread is kept low, at 5½d. (8 cents) per 2-pound loaf, cash over the counter. Bread booked and delivered sells at 9½ cents per 2-pound loaf. This subsidy costs the Government a substantial sum of money, estimated at \$1,400,000 in 1938.

So far this year the Wheat Committee has made a profit on Australian wheat purchased for less than 2s. 4d., f.o.b. Australian ports, and sold to millers at 4s. 9d. This profit on Australian wheat will aid in meeting the subsidy paid to New Zealand wheat farmers.

OUTLOOK

It is the established policy of the New Zealand Government to make New Zealand self-sufficient so far as wheat is concerned. A certain quantity of Canadian hard wheat will continue to be imported; but as the bakers with the assistance of the Wheat Research Institute learn to use their own flour unblended with hard wheat flour this movement will decrease. At present it is estimated

that about 3,000 tons of Canadian flour will be required annually for mixing purposes, and it is proposed to continue importing Canadian wheat to be milled in New Zealand for blending with New Zealand flour. There will be no importation of flour.

Due to the comparative close proximity of Australia, Canadian wheat cannot compete with Australian wheat in price. In addition to the higher cost of Canadian wheat, freights from Canada are higher than the charter rates on Australian wheat for full cargoes in bags. All wheat is imported in bags as there are no elevators in New Zealand or facilities for handling loose wheat. Charter freights are payable in New Zealand currency, which makes Australian wheat much more attractive than Canadian wheat under the present difficult position of New Zealand's overseas funds. Accordingly, for the present, only a limited movement of Canadian wheat into New Zealand for blending purposes can be expected.

SHIP TRANSPORTATION TO FRANCE

Mr. Hercule Barré, Canadian Commercial Attaché at Paris, cabled on October 19 that a new decree announces that the French Government is prepared, when necessary, to arrange through importers ship transportation for any shipments over 100 tons. If exporters have difficulty in arranging direct shipments they should advise agents in France.

FOREIGN TRADE OF THE UNITED STATES, JANUARY TO JUNE

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, October 14, 1939.—Foreign trade of the United States for the January-June period of 1939 reflected the effect of the tense political situations in Europe and the Far East as well as of the improved business conditions at home. Exports showed a decrease of 5·7 per cent in volume and 6·1 per cent in average price. The decline in volume can be attributed to the greatly reduced foreign purchases of cotton, wheat, corn, and tobacco. However, certain types of exports, such as aircraft and parts, metals and metal products, used for rearmament purposes, showed definite increases over the 1938 period. On the other hand, United States imports registered a gain of 15·7 per cent in quantity and a decline of 1·8 per cent in average price. The heavy increase in import trade was due to improved domestic conditions and industrial activity creating a greater demand for foreign raw materials.

United States exports for the first six months of 1939 amounted to \$1,415,427,000, a decrease of 11 per cent from the value of \$1,590,788,000 in the corresponding period of 1938. The value of imports for consumption in the United States for the first six months was \$1,071,732,000 as compared with \$942,451,000 for the like period of 1938, a gain of 13·7 per cent. Thus total trade for the first half of 1939 amounted to \$2,487,159,000, a decrease of 1·8 per cent from the total of \$2,533,239,000 in the 1938 period.

GOLD MOVEMENTS

A direct result of the political tension in Europe was the heavy flow of gold to the United States in the first six months of this year. More than two billion dollars in gold was imported, which not only set a new high mark for gold receipts in a six-months' period but also exceeded all previous twelve-month records.

Imports of gold for the period amounted to \$2,021,077,000. Of this amount \$1,283,309,000 came from Great Britain, \$230,126,000 from the Netherlands, \$165,121,000 from Belgium, \$85,227,000 from Japan, and \$71,835,000 from Switzerland. Imports of gold from Canada totalled \$58,944,000 as compared with \$4,211,000 in the first six months of 1938.

PRINCIPAL MARKETS

United States exports to the six grand divisions of the world registered declines in values ranging from 2·6 per cent for Asia to 21·7 per cent for Oceania in the first six months of this year as compared with the like period of 1938.

The following table shows the values of United States exports to various British Empire countries and other principal foreign countries for the January-June period of 1939 as compared with the corresponding period of 1938:—

United States Exports to Principal Countries

	Jan.-June, 1939	Jan.-June, 1938	Per Cent Inc.+ or Dec.—
Total to all countries	\$1,415,427,000	\$1,590,788,000	— 11.0
British Empire Countries—			
Canada*	201,768,000	241,248,000	— 16.0
United Kingdom	229,733,000	254,437,000	— 9.7
Ireland	5,640,000	16,646,000	— 68.0
Australia	27,808,000	35,842,000	— 22.0
New Zealand	9,020,000	11,396,000	— 21.0
British India	17,030,000	17,103,000	— 0.4
Union of South Africa	34,749,000	36,131,000	— 3.8
Other countries—			
Argentina	27,561,000	49,538,000	— 44.0
Brazil*	33,367,000	30,655,000	+ 8.8
France*	70,301,000	67,935,000	+ 3.5
Germany	38,382,000	50,018,000	— 40.0
Belgium*	33,080,000	42,690,000	— 23.0
Netherlands*	41,504,000	50,287,000	— 18.0
Italy	26,368,000	29,952,000	— 12.0
Soviet Russia	20,109,000	37,378,000	— 46.0
Japan	111,037,000	125,115,000	— 11.0
China	25,755,000	21,849,000	+ 18.0

* Countries having reciprocal trade agreements with the United States.

According to the Department of Commerce, United States exports to her two most important customers, the United Kingdom and Canada, recorded declines as compared with the similar period of 1938. Exports to the United Kingdom amounted in value to 16·2 per cent of the total value of exports on \$229,733,000, a decrease of 9·7 per cent from exports valued at \$254,437,000 in the like period of 1938. Shipments to Canada accounted for 14·3 per cent of the total value of exports and were valued at \$201,768,000, a decline of 11 per cent from the total of \$241,248,000 in the January-June period of 1938. Exports to Australia declined 22 per cent in value; New Zealand, 21 per cent; Union of South Africa, 3·8 per cent; British India, 0·4 per cent; and Ireland, 68 per cent. Newfoundland and Labrador were the only parts of the British Empire to which exports showed a gain.

Exports to other principal foreign countries showed increases of 8·8 per cent for Brazil, 18 per cent for China, and 3·5 per cent for France, and decreases of 40 per cent for Germany, 44 per cent for Argentina, 46 per cent for Soviet Russia, 23 per cent for Belgium, 18 per cent for the Netherlands, and 12 per cent for Italy.

EXPORTS OF PRINCIPAL COMMODITIES

The following table gives the values of the twenty chief exports from the United States for the January-June period of 1939 as compared with the corresponding period of 1938:—

Twenty Chief Exports According to Value, January to June

Commodity and Rank*	1939 \$	1938 \$	Per Cent Inc.+ or Dec.—
Automobile parts and accessories (10.3) ..	144,256,000	155,589,000	— 7.3
Unmanufactured cotton (4.9)	68,464,000	118,891,000	— 42.4
Power-driven metal-working machinery (3.8)	53,362,000	49,052,000	+ 8.8
Electrical machinery and apparatus (3.5) ..	49,099,000	51,727,000	— 5.1
Aircraft, parts and accessories (3.5)	48,869,000	37,122,000	+ 31.6
Gasoline (3.3)	46,048,000	49,034,000	— 6.1

Twenty Chief Exports According to Value—Concluded

Commodity and Rank*	1939	1938	Per Cent	
	\$	\$	Inc.+ or Dec.—	
Crude petroleum (3.2)	45,198,000	59,170,000	—	23.6
Leaf tobacco (2.8)	39,273,000	50,882,000	—	22.8
Lubricating oil (2.6)	36,398,000	35,622,000	+	2.2
Agricultural machinery and implements (2.5)	34,913,000	41,810,000	—	16.5
Refined copper in ingots, bars, etc. (2.3) .	32,810,000	31,788,000	+	3.2
Gas oil and fuel oil (2.0)	27,965,000	29,057,000	—	3.8
Wheat (2.0)	27,486,000	50,903,000	—	46.0
Iron and steel scrap (1.8)	25,676,000	28,099,000	—	8.6
Iron and steel plates, sheets, skelp and strips (1.6)	22,741,000	20,864,000	+	9.0
Well and refinery machinery (1.5)	21,021,000	21,272,000	—	1.2
Coal and coke (1.5)	20,717,000	24,834,000	—	16.6
Cotton cloth, duck and tire fabric (1.2) . .	16,634,000	15,647,000	+	6.3
Boards, planks and scantling (1.2)	16,235,000	15,104,000	+	7.5
Industrial chemicals (0.9)	13,052,000	12,369,000	+	5.5

* Figures within parentheses after name of commodity indicates percentage of total value of domestic exports.

During the first half of 1939 exports of manufactured foodstuffs, semi-manufactures, and finished manufactures exceeded in quantity the exports of these materials in the 1938 period, while exports of crude materials and crude foodstuffs were below those of the six months of the previous year.

AUTOMOBILES

Exports of automobiles, parts and accessories were the leading United States export, although their value of \$144,256,000 was 7.3 per cent below the total of \$155,589,000 for the first six months of 1938. Shipments abroad of passenger cars and motor trucks registered declines in numbers of 3.1 per cent and 8.4 per cent respectively, the number of passenger cars being the smallest since 1934. Automobile engine exports declined 32 per cent, while tire shipments were 30 per cent greater than in the 1938 period.

COTTON

During the first six months of 1939 exports of unmanufactured cotton amounted in value to \$68,464,000 as compared with \$118,891,000 in the like period of 1938, a decrease of 42.4 per cent. Although these were the smallest cotton exports in a half-century from the United States, exports of cotton from other sources of supply were increasing. Cotton consumption in Europe was fairly well maintained, but mill activity in China and Japan was very low.

MACHINERY

Although exports of machinery as a whole were 4.3 per cent below the value of the 1938 period, shipments of power-driven metal-working machinery, totalling \$53,362,000, were 8.8 per cent above the amount of \$49,052,000 for the January-June period of 1938. Exports of electrical machinery and apparatus totalled \$49,099,000 in value and showed a decline of 5.1 per cent from the total of \$51,727,000 for the 1938 period. Shipments of agricultural machinery and implements amounted to \$34,913,000 for the first six months of 1939, a decrease of 16.5 per cent from the 1938 value of \$41,810,000. Well and refinery machinery exports declined 1.2 per cent; construction and conveying machinery, 12 per cent; and mining and quarrying machinery, 4.8 per cent.

AIRCRAFT AND PARTS

The United States exports of aircraft, parts and accessories were valued at \$48,869,000 as compared with \$37,122,000 in the like period of 1938, a gain of 31.6 per cent. This gain reflected the increased demand by foreign countries, particularly in Europe, for United States aeroplanes and parts.

PETROLEUM AND PRODUCTS

The foreign demand for petroleum products was not so heavy as in 1938. Shipments of crude petroleum amounting to 34,949,000 barrels at \$45,198,000 showed a decline of 13 per cent by volume and 23·6 per cent by value from the corresponding period of 1938. Exports of gasoline declined 2·6 per cent by quantity and 6·1 per cent by value from the previous year. On the other hand, exports of lubricating oil valued at \$36,398,000 showed a gain of 2·2 per cent over the January-June, 1938, exports at \$35,622,000. Other petroleum products showing small gains were gas oil and fuel oil, naphtha and solvents, and paraffin wax.

LEAF TOBACCO

Exports of leaf tobacco amounted to 156,043,000 pounds valued at \$39,273,000 as compared with 179,207,000 pounds at \$50,882,000, a decline of 12·9 per cent by quantity and 23·6 per cent by value.

METALS AND METAL PRODUCTS

Substantial increases in foreign sales of refined copper during the second quarter of this year helped to maintain the shipments of this commodity during the first half of 1939. Exports in the first half totalled 322,159,000 pounds at \$32,810,000 as compared with 326,906,000 pounds at \$31,788,000 in the similar period of 1938, a decline of 1·5 per cent in quantity but a gain of 3·2 per cent in value. The increase in value is due to the average export price being 10·2 cents per pound as compared with 9·7 cents per pound for the same period last year.

Exports of iron and steel, including scrap, were about 7 per cent lower in value than those in the first half of 1938. Iron and steel scrap exports declined 8·6 per cent from the 1938 value of \$28,099,000 to \$25,676,000. Declines were also registered in the exports of bars and rods, structural iron and steel, and steel ingots, blooms and slabs. Iron and steel plates, sheets, skelp and strips recorded a gain of 9 per cent from the 1938 value of \$20,864,000 to \$22,741,000 for the first six months of this year. Smaller gains were made in the exports of tubular products, plain, galvanized and barbed wire.

AGRICULTURAL PRODUCTS

A heavy decline in the export of some of the principal agricultural products such as cotton, tobacco, wheat and corn accounted for the large decrease in the value of United States export trade. Exports of wheat for the first six months of 1939 amounted to 2,877,792,000 pounds at \$27,486,000 as compared with 3,020,043,000 pounds at \$50,903,000 in the like period of 1938, a decline of 4·7 per cent in quantity and 46 per cent in value. Although shipments of wheat flour increased in quantity from 494,066,000 pounds in the 1938 period to 769,106,000 pounds in the six months of 1939, a gain of 55·7 per cent, the value of these shipments declined 7·2 per cent from \$12,565,000 in 1938 to \$11,666,000 in the 1939 period. Exports of corn totalled in value \$10,346,000 as compared with \$64,347,000 in the like period of 1938, a decline of 83·9 per cent. However, gains were noted in the exports of lard, cured hams and shoulders, fresh apples, canned fruit and milled rice.

Other commodities showing increases were boots and shoes, clothing, industrial chemicals, pigments, paints and varnishes, fertilizers, and medicinal and pharmaceutical products. Declines were registered in the exports of upper leather, furs, wood-pulp, naval stores and crude sulphur, and coal and coke.

IMPORT TRADE

The total value of imports into the United States for the first half of 1939 amounted to \$1,071,732,000 as compared with \$942,451,000 in the corresponding

period of 1938, a gain of 13·7 per cent. The increase in imports ranged from 5·3 per cent for Asia to 97 per cent for Oceania.

The following table shows the values of United States imports from British Empire countries and other principal countries for the January-June period of 1939 as compared with the like period of 1938:—

Imports from Principal Countries

	Jan.-June, 1939	Jan.-June, 1938	Per Cent Inc.+ or Dec.—
Total from all countries	\$1,071,732,000	\$942,451,000	+ 13·7
British Empire countries—			
Canada*	147,616,000	114,341,000	+ 29·0
United Kingdom	74,863,000	52,800,000	+ 42·0
Australia	7,303,000	3,250,000	+ 125·0
New Zealand	5,812,000	2,915,000	+ 99·0
Union of South Africa	13,929,000	9,811,000	+ 42·0
British Malaya	61,511,000	62,607,000	— 1·8
British India	34,253,000	30,623,000	+ 12·0
Other countries—			
Argentina	29,939,000	20,165,000	+ 48·0
Brazil*	49,356,000	46,959,000	+ 5·1
France*	30,902,000	23,499,000	+ 31·0
Germany (Austria and Czechoslovakia)	44,599,000	42,556,000	+ 4·8
Belgium*	31,279,000	18,433,000	+ 69·0
Netherlands*	15,242,000	11,605,000	+ 31·0
Italy	18,787,000	21,622,000	— 13·0
Soviet Russia	10,202,000	8,440,000	+ 22·0
Japan	62,604,000	60,829,000	+ 2·9
China	25,538,000	21,677,000	+ 18·0

* Countries having reciprocal trade agreements with the United States.

The United States Department of Commerce reports that imports from Canada amounted in value to \$147,616,000 in the first half of 1939 as compared with \$114,341,000 for the corresponding period of 1938, a gain of 29 per cent. Imports from the United Kingdom totalled \$74,863,000, a gain of 42 per cent, while those from British Malaya, amounting to \$61,511,000, were down 1·8 per cent in value. Increases in imports were registered for the following: Australia, 125 per cent; New Zealand, 99 per cent; Union of South Africa, 42 per cent; and British India, 12 per cent.

United States imports from other principal foreign countries, with the exception of Italy, showed gains ranging from 2·9 per cent for Japan to 48 per cent for Argentina. Increases for other countries were: France, 31 per cent; Netherlands, 31 per cent; Soviet Russia, 22 per cent; and Brazil, 5·1 per cent. Imports from Italy declined 13 per cent.

IMPORTS OF PRINCIPAL COMMODITIES

The following table shows the values of the chief imports into the United States for the January-June period of 1939 as compared with the corresponding period of 1938:—

Twenty Chief Imports According to Value, January to June

Commodity and Rank*	1939 \$	1938 \$	Per Cent Inc.+ or Dec.—
Crude rubber and latex (7·4)	78,803,000	68,935,000	+ 14·3
Coffee (6·7)	71,614,000	69,891,000	+ 2·5
Newsprint paper (4·9)	52,753,000	45,834,000	+ 15·1
Cane sugar (4·9)	52,315,000	74,626,000	— 29·9
Raw silk (4·0)	43,119,000	39,126,000	+ 10·2
Wood-pulp (3·0)	32,333,000	31,558,000	+ 2·5
Tin bars, blocks and pigs (2·8)	29,671,000	21,877,000	+ 35·6
Undressed and dressed furs (2·3)	24,732,000	19,779,000	+ 25·0
Raw hides and skins, except furs (2·2)	23,693,000	11,661,000	+ 103·2
Unmanufactured wool (2·1)	22,546,000	6,355,000	+ 254·8
Diamonds, including industrial (2·1)	22,243,000	10,780,000	+ 106·3
Copper ore, concentrates and regulus (1·9)	20,122,000	19,111,000	+ 5·3
Liquors, distilled (1·8)	19,632,000	21,442,000	— 8·4
Unmanufactured tobacco (1·7)	17,984,000	16,114,000	+ 11·6
Cocoa, or cacao beans (1·4)	15,502,000	9,106,000	+ 70·2
Fish (1·4)	15,220,000	13,267,000	+ 14·7

Commodity and Rank*	1939 \$	1938 \$	Per Cent Inc.+ or Dec.—
Meat and meat products (1.4)	15,162,000	15,530,000	— 2.4
Bananas (1.3)	14,366,000	14,700,000	— 2.3
Burlaps (1.3)	14,344,000	14,247,000	+ 0.7
Nickel and alloys (1.1)	12,139,000	5,409,000	+ 124.4
Cattle (1.1)	12,093,000	4,526,000	+ 167.2

* Figures within parentheses after name of commodity indicate percentage of total value of imports.

For the first six months of 1939 both the volume and value of the majority of the leading imports into the United States increased over the volume and value for the 1938 period. Imports of semi-manufactures, finished manufactures, crude materials and crude foodstuffs exceeded in quantity the imports of these groups for the corresponding 1938 period, while imports of manufactured foodstuffs was the only group to register a decrease from the first half of 1938.

CRUDE RUBBER

Imports of crude rubber amounted to 506,518,000 pounds at \$78,803,000 for the January-June period of 1939 as compared with 486,356,000 pounds at \$68,935,000 for the like period of 1938, a gain of 4.1 per cent in quantity and 14.3 per cent in value.

COFFEE

Receipts of 991,675,000 pounds of coffee valued at \$71,614,000 for the first half of this year were the second largest on record, being exceeded only by the high mark set last year, when imports amounted to 1,012,767,000 pounds at \$69,891,000. The volume decreased 2.1 per cent, while the value rose 2.5 per cent over the 1938 period, due to the average import price rising from 6.9 to 7.2 cents per pound.

CANE SUGAR

Imports of cane sugar fell from first place in 1938 to fourth place in the 1939 period and amounted to 2,349,531,000 pounds at \$52,315,000 as compared with 3,167,864,000 pounds at \$74,626,000 for the first six months of 1938, a decrease of 26 per cent in quantity and 29.9 per cent in value. The average import price of cane sugar declined from 2.4 cents to 2.2 cents per pound.

NEWSPRINT

United States imports of standard newsprint paper amounted to 2,386,123,000 pounds valued at \$52,315,000 as compared with 2,078,702,000 pounds at \$45,834,000 for the like period of 1938, a gain of 14.8 per cent in quantity and 15.1 per cent in value. The half-year imports of wood-pulp amounted to 834,444 tons at \$32,333,000 as compared with 721,230 tons at \$31,558,000 in the corresponding period of 1938, an increase of 15.7 per cent in volume and 2.5 per cent in value.

RAW SILK

Raw silk imports amounted to 21,865,000 pounds valued at \$43,119,000 and were the smallest in quantity for the first half of a year since 1924. While they were 10 per cent below the 1938 amount of 24,380,000 pounds, they were 10.2 per cent above the 1938 value of \$39,126,000. The gain in value was due to the increase in the import price from \$1.60 to \$1.97 per pound.

TIN

Imports of tin in bars, blocks, and pigs were much larger than a year ago, receipts being 65,469,000 pounds valued at \$29,671,000, a gain of 19.2 per cent in weight and 35.6 per cent in value from the 1938 period.

FURS

Imports of undressed and dressed furs were valued at \$24,732,000 for the first six months of 1939, an increase of 25 per cent over the 1938 six-months'

value of \$19,779,000. Receipts of raw hides and skins increased in value 103·2 per cent from \$11,661,000 in the 1938 period to \$23,693,000 in 1939.

DISTILLED LIQUORS

United States imports of distilled liquors amounted to 4,566,000 gallons at \$19,632,000 as compared with 5,201,000 gallons at \$21,442,000 for the 1938 period, a decline of 12·2 per cent in volume and 8·4 per cent in value.

CATTLE

During the first six months of 1939 imports of cattle totalled 491,000 head valued at \$12,093,000 as compared with 247,000 head at \$5,409,000 in the like period of 1938, a gain of 98·8 per cent in numbers and 167·2 per cent in value.

COPPER

Imports of copper ores and concentrates totalled 215,215,000 pounds valued at \$20,122,000 for the January-June period of 1939 as against 206,401,000 pounds at \$19,111,000 for the corresponding period of 1938, an increase of 4·3 per cent in quantity and 5·3 per cent in value. Receipts of diamonds set a new high mark, the amount being 2,975,000 carats and the value \$22,243,000, exceeding the 1938 quantity of 716,000 carats at \$11,661,000 by 315·5 per cent in quantity and 254·8 per cent by value.

MISCELLANEOUS

Other items the imports of which registered gains during the first half of 1939 over the like period of 1938 were: unmanufactured wool, flax seed, wheat, lead ore, petroleum, asbestos, fish, nickel, upper and lining leather, and lumber. Among the commodities imports of which showed decreases were: bananas, gas oil and fuel oil, nitrate of soda, tung oil, coconut oil, olive oil, and molasses.

The above report is based on information received from the Foreign Commerce Department, Chamber of Commerce of the United States, and on official statistics published by the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce.

MARKET FOR DRY MILK IN THE UNITED STATES

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

New York, October 9, 1939.—Under heavy tariff protection, the market for dry milk in the United States has not offered any openings to imports for some time. The Netherlands regularly supplies small quantities, but it is obvious that, except under extraordinary circumstances, Canada cannot compete in the United States.

The duty on dry skimmed milk and buttermilk has been 3 cents per pound for some time, but under the trade agreement of 1938 the duty on buttermilk powder was reduced to 1½ cent per pound. The duty on whole dry milk is 6½ cents per pound.

CURRENT SITUATION

However, various factors have combined to raise the price on domestic dry milk to a point at which there has been greater possibility of imports during the last month. An examination of official returns shows that domestic stocks of skim-milk at the beginning of September were only equivalent to 15 days' supply as compared with 53 days' stocks a year earlier and 23 days' supply on August 1, 1939.

While this short inventory position was caused in part by the severe drought in the North Atlantic states and by the milk strike during August, it was due basically and particularly to the over-production of powdered milk over a long period with resultant low prices. Last spring western producers turned their excess milk into other channels. The result has been that stocks reached abnor-

mally low levels for this time of the year with little chance of recuperation before next spring (production peaks being reached during April, May, and June).

DOMESTIC PRODUCTION

Production of human consumption milk for the first seven months of this year was 142,590,000 pounds and showed an 8 per cent decline as compared with last year; while feed milk production at 62,102,100 pounds showed a drop of 12 per cent. Although stocks of human consumption milk in July showed an increase, the trend in previous months had been consistently downwards; whereas in 1938 stocks showed a gradual build-up from March to the high points of June and July. On the other hand, feed milk stocks showed a precipitous decline in July and an almost uninterrupted decline from February onwards, compared with a steady build-up to the end of July in 1938.

PRICES

Prices reacted to this situation during the summer and by the end of August were at the highest levels for some years. Whereas early last spring roller feed skim-milk powder was quoted at from $3\frac{1}{4}$ to 4 cents (United States currency) per pound delivered at points near New York, by the end of August quotations had risen to 6 cents in burlap bags. Spray milk for human consumption was offered at 8 cents in barrels for advertised brands and $7\frac{1}{4}$ to $7\frac{1}{2}$ cents for independent supplies. Buttermilk for feed purposes was just under the foregoing prices.

With the outbreak of war prices continued to rise and at the present time they have reached levels at which consumption, particularly for feed milk, will necessarily fall off. Spray milk for human consumption is being offered to wholesalers at about 9 cents per pound delivered, roller feed milk at 8 cents, roller human consumption milk at $8\frac{1}{2}$ cents, buttermilk for human consumption (6 per cent fat) at $9\frac{1}{2}$ cents and for feed at about $7\frac{1}{2}$ cents. The spread between feed and human consumption milk is closer than usual owing to an excellent year for the feed millers caused by a heavy chick crop last spring.

At these prices feed millers are forced to use substitutes, since prices of poultry produce have not advanced correspondingly. Similarly, bakers may have to cut down on the use of milk solids. Thus, while there is no possibility of stepping up production to meet this situation before next spring, consumption may be forced downward by such high prices to a point where prices in turn will react downwards. Dutch quotations on roller milk have been withdrawn since early August (presumably because of an economic embargo on exports) and there are only limited offerings of spray milk from Holland. Thus, there would seem to be little opportunity of meeting the shortage from European sources.

TRADE CHANNELS AND METHODS

Powdered milk is sold by producers direct to large consumers, wholesalers or jobbers. Wholesalers buy from the producers or through brokers who, because of certain connections, may be able to offer better prices to wholesalers than the latter can obtain through their own producer connections. The wholesaler sells to jobbers or direct to large bakers or feed mills when they are in a position to buy in carload lots. Brokerage fees are usually 25 cents per 100 pounds for human consumption milk and 20 cents for feed milk. The jobber is given a discount of 5 per cent on the wholesaler's selling price. Terms are generally cash for feed milk and 1 per cent discount for ten days or net 30 days for human consumption milk.

Several brokers and wholesalers here have shown an interest in getting in touch with Canadian sources of supply. If there are any producers in Canada who have milk powder available at the prices mentioned above, they are invited to communicate immediately with the Canadian Trade Commissioner, 620 Fifth Avenue, New York City.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE, (MONTH OF SEPTEMBER, 1938 AND 1939, AND NINE MONTHS ENDED SEPTEMBER, 1938 AND 1939)

Note:—The descriptions of commodities used in the following table are taken from Canadian statistical classification of exports and in many instances are not identical with the terms of the concessions secured in the trade agreement, which are based on United States tariff classification. In cases where the two classifications vary materially, the tariff rates quoted apply to the commodities for which statistics are given only as and to the extent indicated. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities			Value			United States Tariff	
	Month of September		Nine months ended September	Month of September		September	Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1938	1939		1938	1939			
AGRICULTURAL AND VEGETABLE PRODUCTS								
Fruits and vegetables—								
Blueberries, frozen.....	447,870	684,760	925,898	30,106	50,822	58,936	83,483 35% ad val.	17 1/2% ad val.
Blueberries, fresh, n.o.p.....	1,286,578	1,498,423	2,364,137	63,600	70,964	144,200	119,020 13c. per lb.	15c. per lb.
Certified seed potatoes.....	3,488	1,408	191,318	2,113	804	101,736	233,433 75c. per 100 lbs.	3 1/4c. per 100 lbs. March to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.
Potatoes, n.o.p.....	21,006	44	143,281	15,752	28	71,199	75c. per 100 lbs. on imports in excess of 1,300,000 bu., per 12-month period beginning Sept. 15.	75c. per 100 lbs. on imports in excess of 1,300,000 bu., per 12-month period beginning Sept. 15.
Turnips.....	285,845	218,302	1,329,662	97,171	81,050	480,255	105,919 75c. per 100 lbs.	3 1/4c. per 100 lbs., Mar. 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.
Grains and farinaceous products—								
Barley.....	777,125	1,032,774	892,444	266,970	498,825	331,717	75c. per 100 lbs. on imports in excess of 1,000,000 bu., plus quantity domestic crop falls below 350,000,000 bu., per 12-month period, beginning Sept. 15.	75c. per 100 lbs. on imports in excess of 1,000,000 bu., plus quantity domestic crop falls below 350,000,000 bu., per 12-month period, beginning Sept. 15.
Oats.....	65,446	274,995	85,445	24,217	70,374	765,906	124c. per 100 lbs.	15c. per bu.
Rye.....	30,224	406,020	63,388	22,673	370,011	35,016	684,293 15c. per bu.	8c. per bu.
Bran, shorts and middlings.....	158,601	183,138	863,115	8,240	22,966	51,833	2,744,193 10% ad val.	12c. per bu.
Cereal foods, prepared.....							43,891 10% ad val.	5% ad val.
Malt.....				166,714	156,922	935,338	1,220,433 40c. per 100 lbs.	10% ad val.
Screenings (grain).....	14,314	229,466	425,975	4,524	23,290	97,489	35c. per 100 lbs., if rye malt.	40c. per 100 lbs., if rye malt.
Maple syrup.....	1,870	3,397	3,450	6,885	13,068	9,521	147,234 10% ad val.	5% ad val.
Maple sugar.....	690,014	104,468	6,781,545	100,487	19,127	1,087,083	224,803 4c. per lb.	3c. per lb.
Whiskey.....	165,904	175,724	1,706,895	704,737	962,658	6,887,431	4,448,347 \$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years.

Seeds—	Bu.	2	680	17,866	24,109	23	8,727	292,206	272,856	8c. per lb.		4c. per lb.
Clover seed, alfalfa.....	Bu.		500	2,087			4,050	22,947	5,623	8c. per lb.		4c. per lb.
Clover seed, alsike.....	Bu.									8c. per lb.		4c. per lb.
Clover seed, red.....	Bu.			10,557	57			160,753	107,887	8c. per lb.		4c. per lb.
Clover seed, sweet (a).....	Bu.		56		61,040		135		157,397	4c. per lb.		2c. per lb.
Grass seed.....	Bu.	15,730	93	62,107	96,545	17,866	485	116,419		2c. per lb. if timothy, 40c. per lb. if bent grass, 20c. per lb. if bent grass, 5c. per lb. if blue grass, 1c. per lb. if wheat grass.	1c. per lb. if timothy, 20c. per lb. if bent grass, 24c. per lb. if blue grass, 1c. per lb. if wheat grass.	1c. per lb. if timothy, 20c. per lb. if bent grass, 24c. per lb. if blue grass, 1c. per lb. if wheat grass.
Beet pulp (a).....	Cwt.		19,950		205				233	8c. per lb. if bromine grass, (2,240 lbs.) 10c. per 100 lbs. 44,559	1c. per lb. if bromine grass	\$3.75 per ton (2,240 lbs.) 5c. per 100 lbs. 57c. ad val.
Hulls of grain (a).....	Cwt.				111,329		10,877		44,559	10c. per 100 lbs. 49,227 10% ad val.		57c. ad val.
Mixed feeds (a).....	Ton	439	3,481	12,889	29,411	2,746	1,862	95,417	193,973	\$3 per ton (2,000 lbs.) 18,024 \$3 per ton (2,240 lbs.) if flax straw; \$1.50 per ton (2,000 lbs.) if otherwise.		\$2.50 per ton (2,000 lbs.) \$1.50 per ton (2,240 lbs.) if flax straw; 75c. per ton (2,000 lbs.) if otherwise.
Straw.....	Ton	96	672	1,812	4,555	399	2,531	8,056				
ANIMALS AND ANIMAL PRODUCTS												
Animals, living—												
Cattle for improvement of stock.....	No.	805	847	6,400	6,762	71,373	74,403	579,106	609,773	Free.....		Free.
Cattle, dairy, weighing over 700 lbs.....	No.	923	934	4,949	6,692	61,074	59,773	320,475	433,445	3c. per lb.		14c. per lb.
Cattle, n.o.p., weighing less than 200 lbs.....	No.	3,292	3,942	40,947	75,215	59,035	74,038	615,987	1,190,237	2½c. per lb.		14c. per lb.; excess of 100,000 head during any calendar year.
Cattle, n.o.p., weighing over 700 lbs.....	No.	7,204	10,487	39,448	140,246	413,997	686,434	2,290,713	9,601,726	3c. per lb.		14c. per lb.; excess of 225,000 head during any calendar year, or 60,000 head during any quarter (b) not more than \$150; 17½% ad val. if valued at more than \$150.
Horses, n.o.p.....												
Poultry, n.o.p.....	No.	14,141	13,368	239,265	86,436	10,104	6,720	160,213	577,984	8c. per lb.		4c. per lb.
Swine, n.o.p.....	No.		9	176	31		41	1,232	47,716	8c. per lb.		4c. per lb.
Fish, fresh and frozen—												
Clams and oysters, fresh.....	Cwt.	524	355	27,700	1,950	1,101	755	32,642	31,865	Free.....		Free.
Scallops, fresh and frozen (a).....	Cwt.		66				1,641		38,975	Free.....		Free.
Cod, haddock, pollock, hake and cusk, fresh and frozen.....	Cwt.	9,462	15,033	51,203	96,398	61,127	112,175	320,727	622,592	1c. per lb. (not filleted); 2½c. per lb. (filleted)		1c. per lb. without fins removed (not filleted); 1c. per lb. with fins re- moved (not filleted); 1½c. per lb. subject to quota (also applies to rose fish), (filleted).
Eels, fresh and frozen.....	Cwt.	97	376	1,204	1,923	705	2,871	8,023	8,453	1c. per lb.		1c. per lb.
Halibut, fresh and frozen.....	Cwt.	5,697	6,697	47,453	44,368	53,708	67,086	463,841	451,848	2c. per lb.		1c. per lb.
Herring, sea, fresh and frozen.....	Cwt.	33,265	73,448	94,404	237,160	68,008	41,452	68,908	226,925	Free.....		Free.
LoBSTERS, fresh.....	Cwt.	4,402	4,487	95,869	95,529	100,561	94,888	1,747,603	1,783,487	Free.....		Free.
Mackerel, fresh and frozen.....	Cwt.	28	1,267	9,781	8,811	123	6,053	54,806	43,836	2c. per lb.		1c. per lb. if fresh; 1c. per lb., if frozen.
Salmon, fresh and frozen.....	Cwt.	6,967	3,148	42,336	40,193	61,722	29,469	473,047	481,888	2c. per lb.		1c. per lb.
Smelts, fresh and frozen.....	Cwt.	227	68	42,004	50,410	3,130	788	404,584	461,929	Free.....		Free.
Sturgeon, fresh and frozen.....	Cwt.	628	1,033	2,289	4,033	21,333	37,433	74,281	147,372	1c. per lb.		1c. per lb., if not frozen.

(a) From January 1, 1939.

(b) Quota for period April 1-Dec. 31, 1939 (165,000 head), allocated 86.2 per cent to Canada and 13.8 per cent to other countries, equivalent to 142,230 head to Canada and 22,770 head to other countries. Maximum quarterly quota (60,000 head) allocated on same basis: Canada 51,720 head, other countries 8,280 head.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE, (MONTH OF SEPTEMBER, 1938 AND THE NINE
MONTHS ENDED SEPTEMBER, 1938 AND 1939)—Continued

Commodities	Quantities				Value				United States Tariff		
	Month of September		Nine months ended September		Month of September		Nine months ended September		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)	
	1938	1939	1938	1939	1938	1939	1938	1939			
ANIMALS AND ANIMAL PRODUCTS—Con.											
Fish, fresh and frozen—Con.											
Swordfish, fresh and frozen.....	Cwt.	3, 854	10, 502	12, 162	16, 659		50, 876	127, 753	146, 778	222, 075	2c. per lb.....
Fresh-water fish, other, fresh and frozen.....	Cwt.	43, 489	40, 364	403, 136	416, 691		445, 772	386, 995	3, 625, 764	3, 428, 732	1c. per lb. (not filleted); 2½c. per lb. (filleted).
Fish, salted, dried, smoked, or pickled—											
Cod, haddock, pollock, hake and cusk, dried.....	Cwt.	10, 976	5, 983	41, 306	41, 810		65, 370	38, 358	262, 319	272, 396	1½c. per lb., if containing not more than 43% moisture.
Cod, pollock, hake, and cusk, green-salted.....	Cwt.	15, 176	8, 463	70, 775	86, 588		39, 467	23, 104	191, 172	238, 940	3c. per lb., if containing more than 43% moisture.
Cod and haddock, smoked.....	Cwt.	2, 293	1, 604	17, 703	20, 272		22, 854	14, 992	180, 727	191, 940	2c. per lb., if skinned or boned.
Herring, sea, pickled.....	Cwt.	855	1,060	4, 232	4, 610		2, 668	3, 483	14, 096	13, 953	2c. per lb. (filleted).
Herring, sea, smoked.....	Cwt.	189	824	5, 838	5, 688		1, 834	7, 477	26, 116	38, 778	3c. per lb., net weight.
Mackerel, pickled.....	Cwt.	2, 316	4, 137	10, 401	13, 255		8, 292	15, 529	60, 022	61, 182	1½c. per lb., if boned; 1c. per lb., if not boned.
Salmon, pickled.....	Cwt.	593	645	2, 017	1, 506		10, 731	14, 551	33, 160	33, 043	1c. per lb., net weight.
Salmon, smoked.....	Cwt.	2	1	20	27		33	17	525	533	25% ad val.
Fish, canned—											
Lobsters, canned.....	Cwt.	873	660	3, 721	5, 947		39, 662	34, 828	188, 826	266, 827	Free.
Fur skins, undressed—											
Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed.....	No.	43, 517	111, 808	520, 780	562, 367		115, 260	213, 085	1, 935, 736	2, 385, 456	Free.
Fox skins, black and silver, undressed...No.		661	3, 712	6, 946	24, 908		6, 653	62, 404	185, 573	522, 831	50% ad val.
Hair and bristles.....	Sq. ft.						14, 500	16, 002	189, 285	192, 101	Free.
Leather, patent.....			431, 804	1, 836, 121			995	83, 006	8, 953	363, 410	15% ad val.
Meats—											
Bacon and hams, shoulders and sides.....	Cwt.	376	424	5, 202	4, 275		15, 238	14, 468	190, 062	145, 242	3½c. per lb.
Pork, fresh, chilled and frozen.....	Cwt.	1, 075	955	18, 208	15, 136		22, 156	21, 490	325, 132	296, 776	2½c. per lb.
Pork, dry-salted.....	Cwt.			70					805		3½c. per lb.
Pork, pickled, in barrels.....	Cwt.	58		262			1, 318		4, 437		2c. per lb.
Edible animal entrails, n.o.p. (a).....	Cwt.		1, 145	4, 328			22, 015			93, 876	3c. per lb., but not less than 20% ad val.
Milk products—											
Cheese.....	Cwt.	2, 010	11, 849	13, 019	25, 436		33, 946	166, 007	226, 750	394, 581	7c. per lb., but not less than 35% ad val.
Cream.....	Gal.			5, 096					11, 153	2, 565	6c. per gal.
					4						28½c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.

Milk, fresh.....	Gal.	318	352	1,878	2,370	120	117	669	870 64c. per gal.....	31c. per gal.; 94c. per gal. on imports in excess of 8,000,000 gals. during any cal- endar year. 24c. per gal. if sperm oil.
Whale oil.....	Gal.	81,040		457,274		27,118		144,196		
Wood, Wood Products and Paper										
Christmas trees.....	No.	18,052	42,580	473,365	750,816	2,256	4,228	2,506	18,587	10% ad val.....
Fence posts.....	No.	32,080	50,327	291,971	247,975	99,699	155,792	41,705	63,764	Free.....
Telegraph and telephone poles.....	No.	21,994	4,423	191,896	127,306	19,176	3,811	721,039	740,623	Free.....
Railroad ties.....	No.	17,053	6,908	38,978	42,251	37,053	34,640	141,638	90,906	Free.....
Firewood.....	Cord	17,834	18,770	108,473	122,927	66,281	60,630	202,903	225,313	Free.....
Laths.....	M	14,404	17,803	101,000	139,778	24,026	214,656	339,896	331,742	Free.....
Logs.....	M	2,693	1,013	24,765	22,841	24,026	8,193	182,235	1,634,493	Free.....
Pickets.....	M	48,154	61,000	490,813	216,422	3,359	2,925	30,308	12,974	50c. per M ft. b.m. if fir, spruce, pine, hemlock, or larch.
Planks and boards and square timber—										
Flooring of hardwood.....	M ft.	3		116	98	234	53	5,834	5,800	Free if other kinds..... 5% ad val. if maple, birch or beech.
Planks and boards, hardwood, n.o.p., and square hardwood timber.....	M ft.	2,718	4,485	18,932	31,680	115,223	188,827	773,648	1,306,035	Free, but subject to \$3 M ft. b.m. revenue tax.
Planks and boards and square timber, softwood.....	M ft.	39,850	50,152	293,556	395,127	997,230	1,304,533	7,347,414	9,913,000	\$1 M ft. b.m. and \$3 50c. M ft. b.m. and \$1.50 M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch.
Pulpwood.....	Cord	177,137	128,407	1,038,747	735,762	1,511,194	1,049,846	8,616,707	5,917,300	Free, but subject to \$3 M ft. b.m. revenue tax if other woods.
Shingles.....	Square	262,027	274,215	1,774,391	2,189,816	750,915	749,722	4,802,430	6,138,031	Free.....
Staves and headings.....										United States reserves right to impose duty not to exceed 25c. square on red cedar shingles in excess of 30% United States consumption.
Wood pulp.....	Cwt.	802,835	916,911	6,300,255	7,751,634	1,855,191	2,024,757	15,031,177	13,227	Free if staves.....
Book paper and newsprint, side runs and side rolls.....	Cwt.	53,169	32,767	223,522	253,141	54,219	37,154	233,462	275,338	Free.....
Hanging paper, not printed (a).....	Cwt.	3,213,354	3,734,468	27,200,403	30,343,736	7,149,027	8,278,056	59,468,359	66,664,793	10% ad val.....
Newsprint paper.....	Cwt.									74% ad val.
Pulpboard for wallboard (a).....	Cwt.									10% ad val if pulpboard in rolls, not processed; 5% ad val if pulpboard in rolls, processed.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF SEPTEMBER 1933 AND 1939, AND THE NINE
MONTHS ENDED SEPTEMBER, 1933 AND 1939)—Concluded

Commodities	Quantities				Value				United States Tariff		
	Month of September		Nine months ended September		Month of September		Nine months ended September		Before first Agreement, i.e., 1935	Canada, United States Agreement, (Jan. 1, 1939)	
	1938	1939	1938	1939	1938	1939	1938	1939			
IRON AND ITS PRODUCTS											
Castings of iron and steel, n.o.p..... Cwt.	17	494	1,306	1,433	138	2,299	8,743	8,098	20% ad val. if of iron....	10% ad val. if of iron	
Farm implements and machines and parts (except "Garden and farm tools" and "Spades and shovels and parts")..... Ton	774	768	4,940	5,463	56,850 15,234	58,202 22,578	2,205,084 117,204	1,530,302 144,838	Free..... 1c. per lb. on silicon content.	Free. 1c. per lb. on silicon content when containing 8% or less than 30% of silicon. 75c. per ton (2,240 lbs.).	
Ferro-silicon..... Ton								720,924	75c. per ton (2,240 lbs.).		
Spiegeleisen (a) (see "Ferro-manganese and other ferro-alloys, n.o.p.")..... Ton		3,965		24,265		112,177		9,843	14c. per lb. on manganese content if ferro-manganese; 24c. per lb. on chromium content when containing not less than 3% of 14c. per lb. on chromium content when containing not less than 3% of carbon if ferro-chrome (Reduced to 14c. per lb., Swedish Agreement, Aug. 5, 1935).	1c. per lb. on manganese content when containing not less than 4% of carbon if ferro-manganese; 1c. per lb. on chromium content when containing not less than 3% of carbon if ferro-chrome. 15% ad val.	
Ferro-manganese and other ferro-alloys, n.o.p. (included "Spiegeleisen" prior to January 1, 1939)..... Ton	1,059	9	6,845	237	41,568	747	247,352	217,196	20% ad val.....		
Skates..... Pair	26,780	35,599	145,760	288,130	23,511	30,644	106,889	217,196	20% ad val.....		
NON-FERROUS METALS AND PRODUCTS											
Aluminum in bars, blocks, ingots, sheets, etc..... Cwt.	5,834	101	16,525	39,185	90,500	2,167	254,947	537,337	4c. per lb., if crude.....	3c. per lb., if crude.	
Aluminum scrap..... Cwt.	156	414	3,662	8,356	3,125	3,166	15,976	73,233	4c. per lb.....	3c. per lb.	
Cadmium (a)..... Cwt.		30,053		30,073		15,027		37,408	15c. per lb.....	74c. per lb.	
Cobalt, contained in ore..... Cwt.	65	164	434	516	4,235	12,630	26,146	37,408	Free.....	Free.	
Cobalt, metallic..... Cwt.	11,151		48,505	16,329	16,329	71,278			Free.....	Free.	
Nickel, contained in oxide..... Cwt.	499	3,412	1,744	11,838	10,814	77,153	36,907	253,972	Free.....	Free.	
Nickel, fine..... Cwt.	50,287	123,479	293,259	641,063	1,257,652	2,318,067	7,333,708	16,278	132 3c. per lb.....	24c. per lb.	
Selenium and salts of (a)..... Cwt.		14,110		79,691		21,643		121,808	Free.....	Free.	
Zinc, contained in ore..... Cwt.									14c. per lb. on zinc content.	14c. per lb. on zinc content.	
Zinc spelter..... Cwt.	5,145	13,201	23,079	87,571	16,442	41,369	85,998	282,525	14c. per lb.....	14c. per lb.	
NON-METALLIC MINERALS AND PRODUCTS											
Abrasives, artificial, crude, including carborundum..... Cwt.	64,592	99,654	777,666	839,033	160,774	299,076	2,154,445	2,164 811	Free.....	Free.	
Asbestos, and asbestos sand and waste... Ton	14,165	18,051	115,669	144,399	388,721	621,536	3,400,427	4,689,508	Free.....	Free.	

Basic refractory materials, dead-burned	(a).	152				3, 659	20% ad val., if containing 15% or more of lime.
Coal tar and pitch; creosote oil; and coal tar oils, n.o.p.	747,171	3,887,898	45,453	438,276	Free.	324,642	Free.
Feldspar (See "Nepheline syenite")	1,135	4,354	7,457	27,630	29c. per ton (2,240 lbs.).	29,103	29c. per ton (2,240 lbs.).
Gypsum or plaster, crude	83,212	683,875	239,829	598,060	30% ad val., if ground.	779,677	15% ad val., if ground.
Lime, building	7,894	69,060	4,730	37,165	29,230 3c. per 100 lbs., if lime-stone crude;	29,230	21c. per 100 lbs., if lime-stone crude;
					12c. per 100 lbs., if hydrated;	12c.	6c. per 100 lbs., if hydrated;
					10c. per 100 lbs., if other.	10c.	5c. per 100 lbs., if other.
Lime, n.o.p. (a)	4,692	66,070	1,862		Same rates as above.	24,977	Same rates as above.
Nepheline syenite (includes "Feldspar" for January, February and March, 1938)	1,700	18,555	6,970	104,597	Free, if crude;	66,594	Free, if crude;
Quartzite (a)	16,660	77,810	31,200		30% ad val., if ground.	141,892	15% ad val., if ground.
Sand and gravel	10,428	22,686	7,291	67,338	Free.	34,026	Free.
Talc	11,345	91,296	6,377	47,232	48,039 35% ad val.	48,039	17 1/2% ad val., if valued not more than \$14 ton.
CHEMICALS AND ALLIED PRODUCTS							
Acetic acid	4,227	5,367	3,212	206,285	23,269 1 1/2c. per lb., if not over 65%;	23,269	1 1/2c. per lb., if not over 65%;
Acetylene black (a)		1,583,210	23,341		2c. per lb., if over 65%.	186,562	1c. per lb., if over 65%.
Cyanamid	80,584	2,050,159	244,926	2,277,632	20% ad val.	2,300,161	10% ad val.
Soda and sodium compounds	39,691	313,144	76,980	1,228,674	Free.	1,605,944	Free.
Vinyl acetate and synthetic resins made therefrom (a)	33,359	394,779	153,742		Free, if sodium cyanide.	135,201	Free, if sodium cyanide.
		275,541	11,657		3c. per lb. and 30% ad val.	3c.	per lb. and 15% ad val.
MISCELLANEOUS COMMODITIES							
Junk, except metallic and rubber	2,638	15,652	3,816	52,016	51,331 10% ad val.	51,331	7 1/2% ad val.
Organs and parts		5	1,500	34,704	3,592 35% ad val., if pipe organs and parts;	3,592	17 1/2% ad val., if pipe organs and parts;
					40% ad val., if pipe-organ player actions (church);		20% ad val., if pipe-organ player actions (church);
					60% ad val., if pipe-organ player actions (other).		30% ad val., if pipe-organ player actions (other).

(a) From January 1, 1939.

MARKET FOR CANADIAN FURS IN SWITZERLAND

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

(One kilo equals 2.2 pounds; one Swiss franc equals approximately \$0.25 at current rate of exchange)

Rotterdam, September 22, 1939.—The annual consumption of Canadian furs in Switzerland is small. Domestic restrictions curtail the importation of silver fox pelts and such foreign supplies of these as do enter Switzerland arrive mainly from Norway. The consumption of mink, which is principally of Canadian origin, is estimated at about 1,000 skins per annum. There is practically no import of other varieties of Canadian furs.

DOMESTIC PRODUCTION

The breeding of silver foxes is fairly extensive in Switzerland and the industry receives considerable official protection. Exact figures as to the number of farms or animals raised are not available. The trade, however, estimates production at about 1,500 silver fox pelts per annum.

There are three mink farms from which, it is stated, pelts of excellent quality are procurable. These farms are located at Oberschlatt, Kempten, and Les Diablerets, and the mink breeders are reputed to secure good prices for these furs. In addition, there are numerous raccoon farms and also a few nutria and caracul fur farms.

There is a trade association of breeders called "L'Association Suisse pour l'Elevage des Animaux à Fourrure" (The Swiss Association for the Raising of Fur Bearing Animals), the Secretariat of which is located at Bleicherweg 7, Zurich.

RESTRICTION OF IMPORTS

Silver fox skins are subject to quota restrictions when imported into Switzerland. Pelts of foreign origin may only be brought into the country provided the furrier in question also buys Swiss skins. On purchasing one Swiss-raised silver fox skin valued at from 31 to 121 francs (\$7.75 to \$30.25) permission is given to import three foreign skins; when buying one Swiss skin valued at between 121 and 250 francs (\$30.25 to \$62.50) the furrier may bring in four foreign skins; and when buying a Swiss skin valued at more than 250 francs (\$62.50) import permits for five silver fox skins of foreign origin are granted. There is no requirement as to whether the furriers use their import permits so obtained for the purchase of Canadian or Scandinavian silver fox skins.

The importation of mink into Switzerland is not subject to quota restrictions.

DUTIES

The duties levied on furs and fur garments are as follows:—

Fur, not specified elsewhere in the general tariff,
cut and finished:

Item No.

571a	Sheep and goat skins, except those of Mongolia, astrakhan and caraculs	300 francs per 100 kilos gross weight
571b	Others (including fur coats and made-up tails of fur-bearing animals)	600 francs per 100 kilos gross weight
560	Fur caps and bonnets	500 francs per 100 kilos gross weight
173	Raw tails of furbearing animals	0.50 francs per 100 kilos gross weight
175	Tails of furbearing animals, tanned or prepared, not ready for wearing	30 francs per 100 kilos gross weight

The same rates are levied on imports from all sources. There are no transfer or payment restrictions in Switzerland applying to trade with Canada.

IMPORTS

London is the principal buying centre for furs for Switzerland. Considerable quantities are also obtained direct from the breeders in the Scandinavian countries, particularly Norway. Domestic auctions were initiated in 1936 but the business did not prosper and the auction company liquidated its affairs. Swiss furriers are, however, regular patrons of the London fur auctions, where they purchase both Canadian and Scandinavian pelts.

Arrivals of furs are not shown separately in the official Swiss trade returns but are included in the statistics with those of hides and skins. The following two tables show the quantities and values of hides and skins imported in 1938 by countries of origin:—

Imports of Skins: Raw, Salted or Not, Dried

	Kilos	Francs
Total	456,718	1,959,998
France	163,036	398,265
Italy	28,040	48,901
Holland	23,723	49,596
Great Britain	21,013	294,844
Denmark	73,572	151,111
Norway	11,626	265,123
British India	102,262	227,342
Canada	603	171,030

Imports of Hides and Skins, Tanned, Dressed: with Hairs, for Saddlers or Furriers, etc.

	Kilos	Francs
Total	60,599	4,014,198
Germany	15,533	1,638,552
France	14,683	1,143,856
Belgium	5,441	113,447
Holland	10,422	133,778
Great Britain	5,205	516,347
Latvia	1,470	84,863
Czecho-Slovakia	874	80,734
Hungary	3,661	106,611
Soviet Russia	570	12,980
Canada	842	57,848
United States	314	23,361

Imports credited to Canada in the above tables relate principally to arrivals of hides. There are few or no direct shipments of Canadian furs to Switzerland: these reach the Confederation via the London fur auctions.

MARKET

The sales possibilities for better-quality furs are extremely limited in Switzerland. The total consumption of silver fox skins, according to the trade, is about 4,000 to 5,000 per annum, of which approximately 1,500 pelts are of domestic origin. The latter must always be bought first before the import permits for foreign silver fox skins are issued. By far the greater part of the silver fox skins imported into Switzerland are of Norwegian origin.

According to the trade, the annual consumption of mink, which is mainly derived from Canada, would approximate 1,000 pelts. No other better-quality varieties appear to be of interest to Swiss buyers. Formerly sable skins were brought in to a considerable extent, but the demand for this fur is constantly decreasing.

SALES PROMOTION

The fur-buying public depends almost entirely on the advice offered by the furriers. There is no specific demand by purchasers for trade-marked pelts or accredited sources of import. Therefore, any educational or promotional efforts

might best be directed to the furriers themselves. The benefits of a press campaign or intensive advertising are rather doubtful; in any case a first appeal might be more successfully addressed to the fur merchants. The trade has an organization known as the "Association Suisse de l'Industrie de la Fourrure" (Swiss Association of the Fur Industry), the Secretariat of which is located at Wienmarkt 14, Lucerne.

The Canadian Commercial Attaché at Rotterdam has lists of the better-known distributors and would be glad to co-operate in any effort to expand the sale of Canadian furs on the Swiss market.

TRADING WITH BRAZIL: POINTS FOR EXPORTERS

L. S. GLASS, CANADIAN TRADE COMMISSIONER

I. Preliminary Survey of the Market

Rio de Janeiro, August 21, 1939.—Brazil or, properly speaking, the Republic of the United States of Brazil, covers the greater part of northern and north-eastern South America. The republic is comprised of twenty states, the Federal District and the territory of Acre, with a total population officially estimated at 44,000,000 people. Approximately one-half is concentrated in the coastal States of Bahia, Ceará, Rio de Janeiro, including Federal District (city of Rio de Janeiro), Pernambuco, São Paulo and Rio Grande do Sul and the inland State of Minas Geraes.

Brazil, with an area in excess of 3,286,000 square miles, extends from approximately 350 miles north of the equator to about 2,300 miles south of the equator. Every type of climate from intense tropical to moderate temperate is encountered, although probably the greater part is more or less semi-tropical.

EFFECTS OF CLIMATE

Climatic conditions are most important in determining the type of merchandise required, its preparation and packing. As an example of this may be cited the case of one of the most important import items at the present time—radio receiving sets. Many forms of amusements are precluded by the heat and humidity; this has helped to popularize the radio, which brings acceptable amusement with a minimum of exertion. There is an abundance of two things: wood-attacking insects, such as termites, and suitable cabinet-making wood which is to a greater or lesser extent immune to the ravages of these insects. Thus, the demand in Brazil is more for chassis than for cabinet instruments. High temperature and humidity (the average temperature in Rio de Janeiro is approximately 77° Fahrenheit and the relative humidity 82°), often with a high salt content in the air, require special care in preparation of component parts to make them as impervious to the effects of heat and moisture as possible. These same conditions make for a larger market for replacement parts.

PEOPLE OF BRAZIL

The first settlers in Brazil came from Portugal, and to-day the Portuguese influence is dominant. The language of Brazil is Portuguese, not Spanish. Many exporters to Brazil seem to forget this despite the fact that in both size and population Brazil is the equivalent of one-half the whole of South America. Brazilians are proud of their language and country, and may feel slighted when exporters fail to recognize that the Spanish tongue is not used in Brazil.

Great numbers of slaves were brought from Africa by the early settlers, and it was only during the late 80's that slavery was abolished in Brazil. Considerable intermarriage has taken place between the white population and the

freed negroes, also with the Indian aborigines of the country, and this section of the people comprises the bulk of the population. It represents an extremely low purchasing power, if it can be said to present any purchasing power whatsoever, as regards imported goods. It is composed largely of labourers, small farmers, and proprietors of small retail establishments or employees in similar occupations.

In the large centres of population there is a fairly substantial middle-class population which offers a good market for staple imported goods and certain luxuries. There is a great difference in the purchasing power of this class of the population and that first mentioned, as there is also between the middle-class and the wealthy section which controls a greater proportion of the wealth of Brazil, although numerically very small.

INDUSTRIAL DEVELOPMENT IN BRAZIL

When considering the Brazilian market in the light of export possibilities, it must be borne in mind that the development in every branch of industry has been nothing short of stupendous during the last two decades. This is indicated by official estimates of the value of Brazilian production. The value of industrial production in 1911 was estimated at £35,000 gold; by 1925 it had reached £125,000 gold, and in 1935 the value was estimated at £84,000,000 gold. The latest estimate of total production in Brazil (1938) was 17,468,792 contos of reis (approximately \$990,000,000). This was divided as follows: agricultural production, 8,052,553 contos (\$455,000,000); industrial production, 5,832,553 contos (\$330,000,000); cattle industry, 2,761,940 contos (\$168,000,000); and the extractive industries, 821,802 contos (\$46,600,000). To the Canadian exporter it is of interest to know that practically the whole of the industrial production is consumed in Brazil, only agricultural products being at present exported. This includes also cattle products.

There are few commodities which are not produced in Brazil to some extent, but in many instances quality has been sacrificed to price in order to meet the requirements of the generally low purchasing power. On account of lack of development and scarcity Brazil must still import a large part of the raw and semi-raw materials for her industries.

AGRICULTURAL PRODUCTS, TIMBER, MINERALS

The following illustrates the lines along which the most intensive development has occurred and in which Brazil may be said to be practically self-supporting:—

Agricultural products may be listed as follows: foodstuffs; tropical fruits and certain classes of temperate fruits, such as peaches, melons, etc.; meats of all kinds, including the various by-products of the cattle industry; cocoa; coffee; sugar; corn; rice and many starchy plants suitable for human consumption and industrial use. Recently steps have been taken by the Government to foster the growing of wheat in Brazil and as a result imports of both wheat and wheat flour have already shown a marked decrease. Other agricultural products include cotton, industrial and potable alcohol, fibres for weaving and similar purposes, and oleaginous nuts, products for medicinal, alimentary, and industrial purposes.

There is also an abundance of timber of various kinds, including tropical hardwoods and a large stand (estimated at 350 billion feet) of timber known locally as "Paraná pine," which is very similar to certain of the northern softwoods such as spruce and fir. Besides being an excellent commercial wood, Paraná pine is well suited for paper manufacture and, although as yet no extensive developments have taken place, it is anticipated that in the near future the local woods will be used to supply a large part of the Brazilian requirements for

wood-pulp, paper, and artificial silk. Other sources of pulp are also available from the by-products of certain crops, such as sugar-cane bagasse and rice straw.

Mining produces certain quantities of coal which, although of not particularly high grade, is used in certain of the industries and transportation. Brazil is an important producer of gold, and large deposits of excellent iron ore are awaiting development. Nickel and various industrial minerals, such as kaolin, talc, abrasive diamonds, etc., are found in abundance, while recent investigations indicate the possibility of large petroleum fields.

Brazil also has extensive fisheries, and is able to supply most of the requirements of fresh fish and a small part of that for canned and dried.

MANUFACTURES

As regards the manufacturing industries, the following are the most important:—

For textiles of all kinds and manufactures thereof, local production supplies all the raw cotton, an increasing quantity of pure silk and wool, and a small quantity of artificial silk. The artificial silk industry is not likely to increase owing to government measures to restrict it in favour of the real silk industry. Jute and linen yarns are largely imported. Investigations are being made into the use of Brazilian fibres to substitute jute with considerable success.

Hides and leather manufactures include boots, shoes, saddlery, books, etc.

Wood and wood products include furniture of all kinds, paper with the exception of newsprint, pulp, and lumber.

The metallurgical industry produces pig iron, steel, foundry works, casting, rolling, drawing and extruding, enamelware, stampings, ploughs, reapers and hand agricultural implements, hand tools, etc.

Miscellaneous products include automobile tires, perfumery and cosmetics, pharmaceutical products, cement, household electrical goods, tobacco products.

CURRENCY

Considerable difficulty is often encountered in understanding the method of expressing Brazilian currency. The explanation is that originally the smallest definition of the currency was the "real," the plural of which is "reis." In latter years the real, because of rapidly sinking currency values, has disappeared, and the accepted unit is now 1,000 reis or, as it is called, one "milreis" and is written 1\$000, the three figures after the dollar sign representing the number of reis up to one thousand. Coinage in use begins with one hundred reis, written \$100. One thousand milreis, written 1:000\$000, are termed one conto of reis or, for short, a conto. As to value, it is difficult in view of the constant fluctuations to give a definite conversion figure, but in 1938 the average value of the milreis was 5.676 cents; thus one conto was worth \$56.76.

TRANSPORTATION FACILITIES

Regular transportation services are made available to Canadian exporters by the following shipping concerns:—

Lamport & Holt Line.—Monthly service from New York to Pará and Bahia; 12 days sailing; monthly service from New York to Rio and Santos, 18 days sailing; no refrigeration; passenger accommodation for twelve; New York office, 24 State Street.

Lloyd Brasileiro.—Every twenty days from New York to Recife, Bahia, Victoria, Rio, and Santos; 20 days sailing; every twenty days from New Orleans to Recife, Bahia, Victoria, Rio, Santos, and Rio Grande; 20 days sailing; no refrigeration; no passenger accommodation; New York office, 17 Battery Place.

International Freightling Corporation.—Monthly service from New York to Rio and Santos; 20 days sailing; no refrigeration; no passenger accommodation; New York office, 17 Battery Place.

Furness Prince Line.—Every fifteen days from New York to Recife, Bahia, Rio, and Santos; 12 days sailing; refrigeration space for 100,000 cases of fruit; passenger accommodation; New York office, Furness House, Whitehall Street; Montreal office, Furness House, 43 St. Sacrament Street.

Furness Red Cross Line.—Halifax to New York for transshipment to Brazilian ports.

Welhelmssen Line.—New York to Rio, Santos, and Rio Grande. New York office, 17 Battery Place.

Gardiaz Line.—New York to Rio and Santos; New York office, 17 Battery Place.

Norton Line.—Fortnightly from New York to Rio and Santos; passenger accommodation; New York office, 26 Beaver Street.

Delta Line.—Every ten days from New Orleans to Rio and Santos; 18 days sailing; refrigeration space 4,000 cubic feet; passenger accommodation for 40; New York office, 17 Battery Place.

American Republics Line.—Weekly from New York to Bahia, Rio, and Santos; 12 days sailing; refrigeration space 80,950 cubic feet; passenger accommodation; New York office, 5 Broadway.

Booth Line.—Every fifteen days from New York to Pará and Bahia; 25 days sailing; no refrigeration; passenger accommodation; New York office, 17 Battery Place.

Yamashita Line.—Monthly service from New York to Recife, Bahia, Rio, and Santos; 16 days sailing; no refrigeration; no passenger accommodation; New York office, Swane & Hoyt Limited, 17 Battery Place.

Brodin Line.—Monthly service from New York to Angra, Rio, and Santos; 16 to 19 days sailing; no refrigeration; no passenger accommodation; New York office, Thor Eckert & Co., 17 Battery Place.

Ivaran Lines.—Monthly service from New York to Bahia, Angra, Rio, and Santos; 18 days sailing; no refrigeration; passenger accommodation for seven; New York office, Stockard & Co., 17 Battery Place.

Pacific Argentine Brazil Line.—Monthly service from Vancouver and New Westminster to Rio and Santos; 50 days sailing; refrigeration space for 7,000 cases of fruit; passenger accommodation for ten; Vancouver agents, Kingsley Navigation Co.

Westfal Larsen Line.—Monthly service from Vancouver and New Westminster to Paranaguá, Santos, Rio, Angra, Bahia, Recife, Tutoya, Maranhão, and Pará; 35 days sailing; no refrigeration; passenger accommodation for ten; Vancouver office, Empire Shipping Co., Empire House.

Local transportation is afforded by a fairly comprehensive railway system. These railways have in the course of time spread out from the various coastal centres and quite effectively cover the internal market of Brazil. There is, however, with the exception of the States of Rio de Janeiro, São Paulo and Paraná, little rail connection between the states in the northerly and southern directions, and shipments from Rio to Bahia must perforce be by coastwise steamers, ample facilities being afforded.

IMPORTS INTO BRAZIL

The importance of Brazil as an export market is roughly indicated by the following figures of Brazilian imports by main categories for the calendar year 1938:—

Live Animals.—Total, \$1,190,000.

Raw Materials.—Cellulose acetate, \$1,469,000; cotton, \$2,068,000; aluminium, \$696,000; aniline dyes, \$2,300,000; briquettes, coal and coke, \$14,920,000; cement, \$542,900; copper, \$2,479,000; iron and steel, \$8,145,000; gasoline, \$9,785,000; jute, \$6,600,000; wool, \$2,573,000; hops, \$328,500; fuel oil, \$6,341,000; lubricants, \$3,010,000; wood-pulp, \$5,339,000; skins and hides, \$1,444,000; kerosene, \$2,918,000; real silk, \$2,175,000.

Foodstuffs.—Olive oil, \$2,494,000; olives, \$407,800; codfish, \$2,279,000; beverages, \$1,954,000; malt, \$1,461,000; flour of wheat, \$1,905,200; fruits, \$3,313,000; wheat, \$30,410,000.

Manufactured Goods.—Cotton textiles, \$561,000; cotton n.o.p., \$682,000; automobiles, \$14,100,000; other vehicles and accessories, \$17,420,000; copper, \$1,199,000; iron and steel, \$21,400,000; wool, \$1,456,000; linen, \$2,400,000; porcelain, earthenware, glass, and crystal, \$2,973,000; machinery, general \$62,480,000; paper and its manufactures, \$6,420,000; tires and inner tubes, \$2,660,000; chemical and pharmaceutical products, \$13,340,000.

II. Some Legal Aspects of Brazilian Trade

On the whole the law, as it refers to mercantile transactions in Brazil, is similar to that in force in Canada. There are, however, certain points which are of particular importance to the exporter.

APPLICATION OF THE C.I.F. CLAUSE

In the case of goods sold, it is considered that the merchandise has been delivered to the buyer at the port of embarkation and that risks of the voyage are for the account of the buyer except in the case of delivery to order of shipper endorsed in blank, in which case the risk remains with the seller in whom the ownership continues to rest. In the case, however, of a "retention of title" clause, the risks continue to run for the account of the buyer, although the ownership does not rest in him. At the same time, examination of the goods on the part of the buyer to verify weight, condition, etc., is not precluded.

DOCUMENTATION

Full details concerning the documentation necessary for shipments to Brazil may be obtained in pamphlet form on application to the Department of Trade and Commerce, Ottawa.

BUYER'S REFUSAL TO ACCEPT DELIVERY

If, without just cause, the buyer refuses to accept delivery or does not accept within the time agreed upon, the seller may rescind the contract or may sue the buyer for the price and legal interest occasioned by the delay. Should he sue, he should petition for the judicial deposit of the merchandise for the account and risk of the owner.

RECOURSE IN THE CASE OF REFUSAL TO ACCEPT OR LIQUIDATE DRAFTS

Usually the reason given for the non-acceptance or non-payment of drafts by the importer is that the merchandise represented by the draft is not up to specification or sample, but this may not be the true reason.

On refusal to accept the draft or, in the case of cash against documents, to honour the draft, the goods being refused or undelivered, the exporter should apply for judicial deposit of the goods, summon the consignee to legally accept the goods within a stipulated time and, in the case of refusal, sue in the courts by means of ordinary action for recovery of price and costs.

In the case of non-acceptance or non-payment, when goods have been accepted by the buyer, an ordinary suit in the courts on the draft itself is required.

PROTEST

Article 28 of Chapter 8 of the Brazilian law governing letters of exchange states that "a bill which has to be protested for non-acceptance or non-payment should be delivered to the proper official (notary) the first business day following the refusal to accept or liquidate, and the respective protest lodged within three business days." Notice of protest is given by a notary by means of registered letter to the last endorser within two days from the date of the instrument of the protest; such letter must be sealed in the presence of the postal authorities, who verify its contents.

TIME LIMIT

The exchange action against the drawee and his respective "avalistas" prescribes in five years. However, action against endorsers and respective "avalistas" prescribes in twelve months. The period of prescription is counted from the day on which the protest is lodged.

PROCEDURE FOR TAKING ACTION

In the case where a firm is not represented in Brazil by an organization having full legal powers to conduct all business of the company, the exporter may execute a power of attorney on behalf of his agent, enabling him to bring suit in the name of the exporter. Failing such an action, the exporter may engage the services of legal houses in Canada or New York having representatives in Brazil. Names and addresses of such firms may be obtained from the Trade Commissioner. In the event of such an action, power of attorney must be executed enabling the Brazilian representatives of the lawyers to bring suit in the name of the exporter.

COSTS AND OTHER CONSIDERATIONS WHEN TAKING LEGAL ACTION

Before taking legal action the exporter should consider very carefully whether the amount involved justifies such a course. These considerations must take into account also the exporter's legal position, and the ability of the importer to make restitution. It is most advisable that the exporter make use of the local knowledge which his agent may place at his disposal. Likewise, similar assistance may be had from lawyers prior to taking active steps. Costs generally run from \$100 to \$400 for court fees, plus out-of-pocket disbursements of the lawyer. Contingent fees would probably amount to from 10 to 20 per cent of the value involved. Costs must be advanced periodically. The loser, in any case, must pay legal interest at the rate of 6 per cent per annum during the period of the delay. As a general rule, to bring a case to a conclusion requires from one to two years, allowing approximately one year for each court in which the action is taken. Where a case is complicated or a considerable sum of money is involved, it may run for any period up to ten or even more years, but such cases are comparatively rare.

Before undertaking legal proceedings it is well to attempt amicable settlement. Oftentimes refusals may be adjusted by an informal examination of the goods by the exporter's agent or representative and the importer. Should settlement not be reached in this manner, recognized surveyors should be called in by the exporter's representative, a bank or the Trade Commissioner. The results of their survey will indicate the condition of the goods, and if the claims of the importer are not substantiated by the survey, this is very often sufficient to effect payment. At the same time, should the importer's claims be substantiated, the survey will provide a disinterested basis for settlement.

FORMAL AND INFORMAL CONTRACTS

Contracts, in so far as they interest Canadian exporters, are usually agency contracts, and the formal legal contract is really no more binding than an exchange of letters and telegrams; in this latter case, however, it is better to exchange duplicates signed by both parties. The formal legal contract has the advantage that in case of litigation it is available in convenient and concise form to be submitted as evidence. Sales contracts between the exporter and his agent do not require any special form and would have to be enforced by the usual commercial action, with its consequent delays and doubtful advisability. Contracts do not require to be registered, except when necessary to bring them to the attention of a third party.

Under a *del credere* agreement the agent is liable to his principal for the prompt payment by those with whom he deals. Such agreement should be clearly stated in writing. Actually the *del credere* agency is not of great value to the exporter, as it depends upon the solvency of the agent.

MEXICAN PRESERVED FOOD INDUSTRY

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, September 10, 1939.—The preserved food industry in Mexico, while still somewhat of a new venture, has exported a number of its products to several countries. These have consisted principally of preserved fish and shellfish from the Pacific coast. The greater part of the industry's production, however, is absorbed within the country. There are at least 27 well-established factories employing more than 1,000 operatives, located in the states of Lower California, Coahuila, Guanajuato, Jalisco, Mexico, Nuevo León, Sinaloa, Sonora, and Veracruz, but the more important are in the Federal District, which has more than 13 of the total.

PRODUCTION

In the value of its annual production the industry is in twentieth place among the leading processing industries of the country. The total value of its production amounted to 5,932,145 pesos in 1936 and increased in 1937 to 7,062,920 pesos. Among the indigenous products preserved are vegetables of all kinds, fruit, fish, shellfish, beef, pork, fowl, and sugar.

The quantities and values of preserved foods produced in 1937 were as follows:—

	Kilograms	Pesos
Total	7,062,920	7,062,920
Preserved fruits	1,031,268	534,056
Preserved vegetables	1,941,750	954,682
Sauces	280,031	210,908
Preserved fish	6,799,685	3,494,232
Preserved shellfish	406,008	519,702
Preserved beef, veal, etc.	281,839	430,193
Preserved fowl	20,390	45,561
Sausages, etc.	206,019	278,705
Ham	192,515	382,761
Other products . . . . .	.....	212,120

The preserving or canning of sea foods is at the present the most important. This item accounts for the bulk of the industry's exports, principally to the United States. Three packing plants operate in the town of Esquinapa, state of Sinaloa, where fresh cooked shrimps are canned. During the fishing season of 1937-38 these factories alone processed 1,776,172 kilograms of fish products, of which 291,000 kilograms of fresh shrimps were canned for export to the southern United States.

EXPORTS

While exports of preserved foods are only a small item in the external trade of Mexico, yet in 1937 exports of preserved fish alone were valued at 1,600,000 pesos, preserved vegetables at 30,700 pesos, preserved meat at 2,341 pesos, and canned oysters at 849 pesos. Preserved vegetables are exported to a number of countries, including the United States, Guatemala, Germany, Belgium, France, Costa Rica, Honduras, and Spain. The export of preserved meat is insignificant, the greater part of domestic production being consumed within the country.

It is not expected that the preserved or canned food industry of Mexico will make any inroads on the markets of the world, but there is no doubt that the industry is displacing the importation of many foreign foodstuffs of similar types.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to September 30, 1939.

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to Sept. 30, 1939 Quantity	Per Cent
Cattle (700 lbs. or more)Head	225,000	3 to 1½ cts. per lb.	136,928	60.8
Cattle (less than 200 lbs.)Head	100,000	2½ to 1½ cts. per lb.	68,614	68.6
				Quota filled Sept. 16, 1939
Whole milkGals.	3,000,000	6½ to 3¼ cts. per gal.	5,327	0.18
CreamGals.	1,500,000	56½ to 28¾ cts. per gal.	722	....
Filleted fish, fresh or frozen—cod, had- dock, hake, pollock, cusk, and rose- fishLbs.	15,000,000	2½ to 1¼ cts. per lb.	8,039,870	53.6
Seed potatoesBus.	1,500,000 beginning Sept. 15, 1939	75 to 60 cts. per 100 lbs. Dec. 1 to end of Feb.; 37½ cts. Mar. 1 to Nov. 30	995,979 Sept. 15, 1938, to Sept. 14, 1939 3,583 Sept. 15 to Sept. 30, 1939	66.4 0.24
White, or Irish, potatoes, other than seed potatoesBus.	1,000,000, beginning Sept. 15, 1939	75 to 60 cts. per 100 lbs. Dec. 1 to end of Feb.; 37½ cts. Mar. 1 to Nov. 30	18,484 Sept. 15, 1938, to Sept. 14, 1939 17.9 Sept. 15 to Sept. 30, 1939	1.8

Total imports of cattle weighing 700 pounds or more, other than dairy cattle, during the period January 1 to September 30, 1939, amounted to 182,899 head. Of this amount, 45,971 head, or 20.4 per cent, came from countries other than Canada. The 182,899 head imported included 177,991 dutiable at the reduced rate under the trade agreement and 4,908 head at the full tariff rate.

During the period July 1 to September 30, 1939, there were 50,913 head imported from Canada, or 98.44 per cent of the quota for the third quarter of the calendar year. Imports for this period from countries other than Canada totalled 7,685 head, or 94.53 per cent of the quota allotment for the third quarter.

The quota allotment of 100,000 head of cattle weighing under 200 pounds per head was filled on September 16, 1939. Canada supplied about 69 per cent of the quota; the balance came from countries other than Canada.

Receipts of white, or Irish, potatoes other than certified seed potatoes amounted to 21,393 bushels, or 2.14 per cent of the quota allotment for the period September 15, 1938, to September 14, 1939. Of this total, 2,909 bushels or 0.29 per cent came from countries other than Canada.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

AMENDMENTS TO LISTS OF PROHIBITED EXPORTS

With reference to the announcement in *Commercial Intelligence Journal* No. 1863 (October 14, 1939), pages 706-9, setting out lists A, B, and C, representing goods the exportation of which from the United Kingdom, except under licence, is prohibited by the Export of Goods (Prohibition) Order No. 2, effective September 2, the Board of Trade on September 20 issued an order making certain modifications in the list of restricted exports.

The following are added to list A, meaning that the restrictions apply to exports to all destinations: bristles of the pig, hog, or boar in the raw or processed up to, but not including, the state in which they are in bundles or bunches ready, or substantially ready, for incorporation in a brush or broom; woollen and worsted blankets whether in the piece or not. Rough diamonds and diamonds suitable for industrial use are transferred from list C to list A.

Salteake is added to list B, which includes all goods whose exportation to foreign destinations is prohibited except under licence. Machine tools are transferred to list B from list A.

The following are transferred to list C from list A, and are therefore prohibited exportation to foreign countries in Europe or on the Mediterranean or Black seas, other than France, French colonies and protectorates: woollen and worsted yarns including those containing other materials; shellac, seedlac, and sticklac; creosote oil.

The following goods have been removed from the prohibition on export altogether: wireless receiving valves; caustic soda; pitch; potable spirits.

WHEAT QUOTA PAYMENTS

With reference to the announcement in *Commercial Intelligence Journal* No. 1863 (October 14, 1939), page 710, the Wheat (Quota Payments: Standard Amount) No. 2 Order, 1939, made by the Minister of Agriculture and Fisheries, provides that the quota payment to be made to the Wheat Commission in respect of wheat flour imported into or milled in the United Kingdom shall, as from October 1, be levied at the rate of 16·8d. per hundredweight, or 3s. 6d. per sack of 280 pounds, subject to appropriate reductions from the standard rate, as provided by the Wheat Amendment Act, 1939, in the case of flour intended for live stock. Prior to October 1, the rate was 21·6d. per hundredweight, or 4s. 6d. per sack of 280 pounds.

Australia

TARIFF AMENDMENTS OF SEPTEMBER 15, 1939

With reference to the notice under the above heading published in *Commercial Intelligence Journal* No. 1860 (September 23, 1939), page 609, further particulars of the amendments to the Australian tariff have been received by mail. Additional alterations of interest to Canadian exporters include the following:—

Item 178D: Internal combustion engines (other than marine engines or engines for motor vehicles) up to and including 50 h.p., new rates are 35 per cent ad valorem under British preferential tariff, 65 per cent under general tariff, rates to increase as present Australian exchange depreciation may be lessened. For engines over 50 h.p. the above rates are lessened by 1 per cent ad valorem for each h.p. over 50, minimum rates "free" under British preferential and 15 per cent ad valorem under general tariff. Formerly this item read "crude oil engines (except marine engines)" and the higher rates applied to engines up to 100 h.p.

Item 177B: Pneumatic rubber tires and tubes for tractors, whether or not imported with tractors, are not to be classified with tractors as heretofore, but are included with other pneumatic tires and tubes under Item 333A2.

Item 110A-B: The expression "silk" wherever used in descriptions of apparel and clothing has been amended to read "silk or artificial silk."

Item 393B: "Artificial silk" is added to the description of sewing and embroidery silks and twists.

A new prefatory note to the tariff (No. 13) reads: "Unless the tariff otherwise expressly provides, or the Minister otherwise directs, the term 'artificial silk' shall include synthetic fibres produced from substances having either a cellulose or a casein base"

A new tariff item (No. 443) reads: "Synthetic fibres in short lengths (sometimes known as 'staple fibre') produced from substances having a cellulose or casein base, suitable for spinning purposes, including such fibres in the form of sliver or tops." Such goods are free of duty under the British preferential tariff and pay 15 per cent ad valorem under the general tariff.

Item 51C3b: The description "sardines n.e.i." is amended to read "sardines n.e.i., sild, brisling, and similar small immature fish." ("N.e.i." means not elsewhere included in the tariff.)

Item 51C4: Tinned fish, other than salmon, crustaceans and sardines, are free of duty under British preferential tariff, but the general tariff rate has been increased from 2½d. per pound to 3d. per pound.

Canadian goods above mentioned are subject to British preferential tariff rates except tires under Item 333A2, to which the general tariff applies. The general tariff applies to all non-British countries.

TARIFF DECISIONS

Recent Australian customs decisions as to the classification and rates of duty on articles regarding which question had been raised include the following:—

In the case of household clothes-washing machines, classifiable under item 172(A)(1), having internal combustion engines not exceeding 1 horse-power incorporated in or forming part thereof, such engines, and apparatus for transmitting power from the driving units to the driven units, are dutiable at the same rate as the washing machines, viz. £3 each or, if higher, 25 per cent ad valorem under British preferential tariff; £6 each or, if higher, 53½ per cent ad valorem under general tariff; all rates to increase as present Australian exchange depreciation may be lessened. (Ministerial Direction under Prefatory Note No. 12 of the customs tariff.)

Pipe and tube unions of pressed steel, sherardized, are dutiable at 3d. per pound or, if higher, 22½ per cent ad valorem under British preferential tariff, and 6½d. per pound or, if higher, 50 per cent ad valorem under general tariff, all rates to increase as present Australian exchange depreciation may be lessened (item 152C2).

Paper cones upon which yarn is imported are to be classified under the same tariff item as the yarn.

Play suits, other than knitted, consisting of a shirt or blouse and any one of the following, viz: divided skirt permanently attached thereto, or separate pair of shorts, or separate skirt, or separate pair of shorts and separate skirt, are dutiable as a unit, according to material, at the rates applicable to "costumes, dresses, or robes," under item 110A5. Complete rates will be furnished on application to the Department of Trade and Commerce, Ottawa.

The decision regarding electric floor polishers, published in *Commercial Intelligence Journal* No. 1861 (September 30, 1939), page 643, has been amended by the deletion of the word "household" from the description of the machines.

Canadian goods under the items for which rates are quoted above, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

Trinidad

CURRENCY CONTROL AND IMPORT RESTRICTIONS

Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, writes under date October 9 that the Trinidad Gazettes Extraordinary of September 15 and 26 announced restrictions on export of currency and control of imports and

exports. Under a proclamation in the latter, importation into and exportation from Trinidad of all goods are prohibited except under licence from the competent authority. A later notice of October 3 stated that no import and export licences will be required with respect to countries or dependencies of the British Empire, with the exception of Canada, Newfoundland, Hongkong, and the Sudan. For these latter British countries, as well as foreign countries, import and export licences are required.

EXCHANGE CONTROL

All residents are obliged to declare and offer the Government any gold, currency and securities held in foreign countries, and in Canada, Newfoundland, Hongkong, and the Sudan. Canada and these other Empire countries are included because their currencies are not based on sterling. The purpose of the regulations is to conserve foreign exchange, protect sterling, and to make available the additional supplies of foreign exchange, etc. declared. If required, these will be purchased by the Government at the ruling rate at the time.

Consequent to these regulations are those pertaining to obtaining exchange for the purchase of goods, payment of accounts, or the transfer of moneys. No transfer anywhere is allowed for any reason except by permit issued by an "authorized dealer". The banks, which include the branches of the Royal Bank of Canada and the Canadian Bank of Commerce in this territory, have been appointed authorized dealers. The authorized dealer has discretionary powers, but permits are issued for all transactions in "the ordinary course of business".

IMPORT RESTRICTIONS

The general principle upon which the regulations controlling imports are based is to give freedom to the import of necessities or essential goods, and curtail the import of luxuries or non-essential articles. All imports from foreign countries and from Canada, Newfoundland, Hongkong, and the Sudan can be obtained only by licence issued by a designated authority, which in Trinidad is called the "Committee of Supply." Applications for import permits are examined, and if approval is given, a licence is granted. This licence is the instrument the importer presents at the bank to obtain the necessary exchange for payment of the goods covered. Licences are not required for goods imported from within the Empire, except from the four countries mentioned. Canadian exporters should satisfy themselves, therefore, that the necessary import licence can be obtained before making shipment to this territory. In ordinary circumstances, the local buyer or agent would supply the shipper with this information.

The fact that import licences are required for goods from Canada is not expected to affect seriously trade in the great majority of articles, but it will be appreciated that the task of the colonies is to conserve foreign exchange to the best of their ability consistent with internal economy.

It is inevitable that a certain amount of misunderstanding and inconvenience should have resulted in the initial application of the numerous regulations, but as experience is gained it is confidently anticipated that the new routine will settle down to smooth functioning.

PRICE CONTROL

To minimize the rise in prices and eliminate profiteering, price control methods have also been established. Boards have been set up as the "competent authority" with the duty of fixing, subject to periodical revision, maximum wholesale and retail prices for a wide range of listed articles, and of delineating the profit percentage elsewhere. This step tended to curtail purchases on a rising market abroad until it was demonstrated that the competent authority would correspondingly revise the selling prices within the colony.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Post and Telegraph Department, Wellington, and the Public Works Tenders Board, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Director-General (Stores Division), General Post Office, Wellington, and the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Post and Telegraph Department.—Galvanized steel coach screws: 100,000, length, $1\frac{1}{2}$ inch, diameter $\frac{5}{16}$ inch; 40,000, length $2\frac{1}{2}$ inches, diameter $\frac{3}{8}$ inch (tenders close November 28, 1939).

Public Works Department.—Section 27, Christchurch District, 110 kv. outdoor switch-gear and steelwork (tenders close March 12, 1940); Section 29, Christchurch District, 20,000 kva. transformer bank (tenders close February 13, 1940); Section 31, Christchurch District, 5,000 kva. transformer bank (tenders close March 26, 1940); Section 28, Palmerston North, 20,000 kva. transformer bank (tenders close February 20, 1940); Section 29, Palmerston North, 10,000 kva. transformer banks (tenders close February 20, 1940); Section 54, Hamilton District, two tap-changing on-load booster transformers and isolating switchgear (tenders close February 13, 1940).

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Panama

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, September 30, 1939.—There is no form of exchange control in force in Panama nor is it likely that any such regulations will be required. Foreign exchange is freely bought, sold and remitted and there has been no shortage. Foreign and domestic trade have decreased during the past year due largely to the falling-off in tourist traffic. The repercussions of the war in Europe are not likely to be serious in Panama and the extensive building program projected by the United States Government in connection with the Panama Canal may bring a small wave of prosperity to the Republic of Panama during the next two or three years. The unit of currency in Panama is the silver "balboa," which circulates freely at par with the United States dollar; but quotations should be in United States or Canadian dollars.

Nicaragua

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, September 30, 1939.—The exchange situation in Nicaragua continues to be critical. The method of operation of exchange control has been greatly simplified and import licences no longer are required. On the other hand, control has become more rigid in effect since foreign exchange is allotted weekly only by the Banco Nacional in co-operation with the Exchange Control Board and up to a sum not to exceed the amount of foreign exchange purchased or made available to that bank during the previous week.

It is reported that a new exchange control system for imports is to come into effect shortly and that under this system Nicaraguan importers, before sending orders abroad, will be required to deposit cordobas for the full equivalent in foreign currency of all such orders. This new provision will not materially improve the foreign exchange situation but it will tend to confine importations to importers in possession of adequate capital and, therefore, is a certain protection to foreign exporters. However, it would appear that advance

cordobas deposits do not mean that the orders for foreign merchandise they covered will be approved by the Exchange Control Board or that the necessary foreign exchange will be available to make remittances possible.

A further report on the exchange situation in Nicaragua will be published when the new system is brought into force. For the time being, Canadian exporters are advised to exercise great caution in shipping to this market.

Venezuela

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, September 30, 1939.—Although the National Office for the Centralization of Exchange apparently is authorized to control rigidly foreign exchange transactions and foreign trade, to date these powers have not been exercised fully. At the present time the National Office for the Centralization of Exchange is limiting its activities to receiving all foreign exchange available, deducting from the total the amount needed by the Government, and allotting the remainder to the various commercial banks on a pro rata basis according to their current total requirements.

There was a temporary shortage of dollars recently and for a week the Government did not buy or sell. The situation is again normal and there is no reason to expect a repetition of the recent shortage of dollars. As far as is known, there is nothing at present to prevent Venezuelan importers from establishing letters of credit or paying for their orders on a cash against documents basis at port of shipment. The war in Europe may be expected to result in increased revenues for the Government from the petroleum industry. These increased revenues should more than offset any decline in the amount of foreign exchange derived from exports of coffee and cacao.

Costa Rica

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, September 30, 1939.—There continues to be plenty of foreign exchange in Costa Rica. It may be bought and sold only through registered banks, although a small and relatively unimportant unofficial or "street" market exists. The official selling rate for the Costa Rican colon remains at 5.62 colones to the United States dollar, while the unofficial rate is 5.75.

Costa Rican importers are required to register their orders for foreign merchandise at an Import's Registry Office operated by the Exchange Control Commission. Upon receipt of shipping documents, importers make application to the Exchange Control Commission for the necessary funds for remittance abroad. Preference is given in allotting foreign exchange to imports from countries with which Costa Rica enjoys a favourable balance of trade. Recently a law was passed providing for an increase of 100 per cent in import duties on all merchandise imported into Costa Rica from countries with which Costa Rica's balance of trade is unfavourable to the extent of 50 per cent or more. This law will not affect Canadian trade with Costa Rica because exports to and imports from Canada almost balance. However, this law is expected to be beneficial generally to the exchange situation as it will tend to direct foreign trade along reciprocal channels.

Recently the Costa Rican Government issued a decree which provides that preference will be given to applications for foreign exchange to cover importations into Costa Rica of the following list of commodities: wheat, wheat flour, rice, beans, sugar, rolled oats, pearl barley, condensed and evaporated milk, lard, edible oils and fats, cotton piece-goods, woollen piece-goods, stockings, seeds, animal feeds, drugs, medicines, petrol (gasoline), diesel oil, paper, paper bags, toilet paper, raw materials for industrial purposes, building materials, agricultural and industrial tools and machinery, fertilizers, chinaware and glassware, cooking utensils (metal).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 16, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 16, 1939, and for the week ending Tuesday, October 10, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 10	Nominal Quotations in Montreal Week ending Oct. 16	Official Bank Rate
Belgium	Belga	.1001	\$.1858	\$.1856	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2143	3½
Finland	Markka	.0252	.0209	.0207	4
France	Franc	.0392	.0253	.0252	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	3
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0082	.0082	6
Holland	Guilder	.4020	.5896	.5893	3
Hungary	Pengo	.1749	.3275	.3275	4
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0259	.0259	5
Norway	Krone	.2680	.2521	.2521	3½
Portugal	Escudo	.0442	.0405	.0406	4-4½
Roumania	Leu	.0060	.0083	.0081	3½
Spain	Peseta	.1930	.1127	.1129	5
Sweden	Krona	.2680	.2642	.2641	2½
Switzerland	Franc	.1930	.2492	.2490	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2196	.2189	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0253	.0252	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0253	.0252	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso	.4245	.2609	.2603	3½
	Unofficial		.....	.....	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Unofficial		.0560	.0561	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Unofficial		.0444	.0444	—
Colombia	Peso	.9733	.6343	.6347	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.5888	.5847	—
	Unofficial		.4335	.4340	—
South Africa	Pound	4.8666	4.4700	4.4700	3½
Egypt	Pound (100 Piastres)	4.9431	4.5900	4.5510	—
China (Shanghai)	Dollar	.....	.0823	.0822	—
Hongkong	Dollar	.....	.2796	.2774	—
India	Rupee	.3650	.3367	.3371	3
Japan	Yen	.4985	.2615	.2615	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	4.1050	4.0740	—
Straits Settlements	Dollar	.5678	.5248	.5216	—
Australia	Pound	4.8666	3.57½	3.57½	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Continued reports of peace rumours, coupled with increased commercial demand, lifted sterling free rates at New York to \$4.03½ on October 10. Subsequently, as these peace hopes faded, heavy selling occurred, and rates dropped to a weekly low of \$3.96½ on the 13th. Closing quotations at \$3.99½ on October 16 showed a partial recovery from bottom levels, due mainly to cessation of heavy selling pressure. Canadian funds showed corresponding weakness, falling from 89½ cents on October 7 to 88½ cents on the 13th. Rates later stiffened to 89½ cents at the close. At Montreal, French francs dropped 2 points to 2.52 cents between October 7 and 16, while Swiss francs lost 4 to 24.90 cents. Neutral European currencies also closed lower, Belgian belgas dropping 5 to 18.56 cents and Dutch florins 9 points to 58.93 cents. The Foreign Exchange Control Board's buying and selling rates for sterling and United States funds remained unaltered at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Snap Hooks.....	434	Melbourne, Australia.....	Purchase.
Hosiery, Woollen (for Men and Women).....	435	Oslo, Norway.....	Agency.
Men's Top Coats.....	436	Sydney, Australia.....	Purchase.
Textile Yarns, Artificial Silk and Acetate; Cotton and Woollen Yarns Spun in Oil for Hosiery, Dry Spun for Weaving.....	437	Oslo, Norway.....	Agency.
Cotton Waste.....	438	Oslo, Norway.....	Agency.
Rubber Footwear.....	439	Oslo, Norway.....	Agency.
Rubber Sheeting, for Footwear Industry.....	440	Oslo, Norway.....	Purchase and Agency.
Rubber Plate.....	441	Melbourne, Australia.....	Purchase and Agency.
Presspahn (Insulating Paper)....	442	Sydney, Australia.....	Purchase or Agency.
Insulating Paper or Press Boards for Electrical Insulation.....	443	Melbourne, Australia.....	Purchase and Agency.
Wood-pulp Board for Manufacture of Egg-case Fillers.....	444	Ahorey, Portadown, Northern Ireland.....	Purchase.
Wood Wool.....	445	Glasgow, Scotland.....	Purchase.
Box Shooks (White Pine).....	446	Glasgow, Scotland.....	Purchase.
Timber, Round for Veneer Purposes.....	447	Glasgow, Scotland.....	Purchase.
White Pine and Spruce Deals....	448	Glasgow, Scotland.....	Purchase.
Black Adhesive Friction Tape...	449	Melbourne, Australia.....	Purchase and Agency.
Black Adhesive Friction Tape...	450	Sydney, Australia.....	Purchase or Agency.
Linoleum.....	451	Oslo, Norway.....	Agency.
Plaster Stone (Gypsum) for Portland Cement.....	452	Oslo, Norway.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

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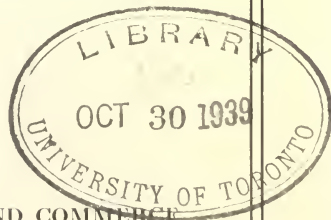
Ottawa, October 28, 1939

No. 1865



Pitprops Awaiting Shipment at a Maritime Province Port

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, October 28, 1939

No. 1865

BUSINESS CONDITIONS IN SOUTH AFRICA

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, September 8, 1939.—With war just declared and a change of Government taken place, business in South Africa for the moment is unsettled. Uncertainty exists as to what effect the war will have on this country's trade. Conditions are not comparable with 1914. During the last war the country was actively engaged in two campaigns, viz., for the conquest of German Southwest Africa and German East Africa, and these campaigns led to a business boom in so far as army requirements were concerned. At the time of writing it seems unlikely that South Africa will participate in the present war to the extent of sending troops overseas.

The fall in sterling exchange will affect Canadian imports. The Government has announced that South African sterling will stay linked to English sterling.

GOVERNMENT FINANCE

On July 21 the Government announced that it would redeem £14,200,000 of South African 5 per cent 1940-50 registered stock on February 1, 1940. Holders of this stock will be offered cash or participation in the new conversion loan.

The late Government stated that the increased price of gold, due to the fall in sterling, will form the basis of new taxation, and proposed to take everything over the price of 150s. per ounce. At the time of writing the price is 166s. This will mean a considerable increase in Government revenue as the country's gold production continues to increase. For the first seven months of 1939 production amounted to 7,339,702 ounces valued at £54,339,763 as against 6,978,502 ounces valued at £48,778,312 for the same period in 1938. Large quantities of gold continue to be earmarked in this country for the account of overseas interests.

Ordinary Government revenue from April 1 to July 31 amounted to £11,242,949 as compared with £10,815,468 in 1938. Expenditure was also slightly up, amounting to £22,122,421 as compared with £21,672,464 in 1938.

RAILWAYS AND HARBOURS

A substantial surplus was recorded in the earnings of the railways and harbours for April and May, the first two months of the current fiscal year, and railway earnings for July also showed a substantial increase over July, 1938. This improvement has been due to increased passenger and freight traffic. The increase in freight has come chiefly from the carriage of minerals, ores, building materials, lumber, maize, and fruit. A small surplus is anticipated for the fiscal year 1939-40. From March, 1938, to March, 1939, the railways added to their rolling equipment 250 new steam locomotives, 56 electric locomotives, 3,997 freight cars, and 231 passenger coaches.

ELECTRIC POWER

A sign of the country's recent prosperity is the extent of the increased consumption of electric power. The Electricity Supply Commission has issued the following comparative figures of consumption in 1934 and 1938:—

	1934 Units	1938 Units
Total	985,161	2,985,452
Domestic and lighting	3,003	10,520
Industry and mining	85,901	124,427
Railways	146,385	308,884
Building supplies	749,872	2,541,621

The increase over five years has been steady and consistent, amounting to 300 per cent in that period.

AGRICULTURE

Farming generally in the Union this year has been fairly satisfactory so far as production is concerned, but farmers have been feeling the effect of low prices.

The citrus crop has been up to average and prices at the beginning of the export season were satisfactory. The prospects for the deciduous fruit crop are somewhat clouded. Unseasonably warm weather obtained during the month of June and may have injuriously affected the crop. There is also every prospect that the fruit industry will experience difficulty in obtaining ships to carry the crops, due to hostilities. Shortage of shipping space will be a serious matter. There may also be difficulty in obtaining boxwood supplies from the Baltic countries.

The maize crop has been large and may amount to over 28 million bags as compared with about 18 million bags last year. On the other hand, prices realized last year were about 9s. per bag of 200 pounds, while this year the price is down to 5s. 9d per bag. To this latter price, however, must be added what amounts, in effect, to a subsidy to producers of 4s. per bag. Therefore, even at the lower price of 5s. 9d. it is considered that the producers of the country will actually receive about one million pounds sterling more than last year for their crop. Any advance in price due to war will raise that figure. The wheat crop is also expected to be sufficient for the country's needs. A bumper crop was expected at one stage of the season, but conditions of one kind or another have altered the outlook and an average crop only is anticipated.

WOOL

At least an average clip of wool is expected, but it is difficult to forecast the price likely to be received. During the 1938-39 season the clip amounted to 233 million pounds valued at £8,036,000 as compared with 212 million pounds valued at £8,248,000 in 1937-38. During 1938-39 the German clearing agreement was in force and wool was the chief product taken under this clearing agreement. It was taken to the value of £3,700,000. This market must now be considered lost. Stocks at the present time are low. Wool increased considerably in price during the last war, but there is an infinitely larger world supply of wool available at the present time than there was in 1914. It is not anticipated, therefore, that wool prices will increase to the same extent as they did in 1914, and that there will be any corresponding benefit to those thousands of South African farmers depending upon wool.

INDUSTRY

The development of the steel industry continues. A new blast furnace for the production of ferro-manganese was recently blown in. It is expected that

it will find a ready sale in the United Kingdom. The motor car companies in the Union have been quiet. There has been a decline in motor car registrations every month since February, 1938, when they reached the peak index figure of 2,015. The index figure for June this year was 1,540, which is even lower than the index figure for 1935. Other secondary industries in the country, such as footwear, clothing, engineering, and furniture manufacturing, have all been fairly well employed; some reporting slack periods in one part of the country, but others reporting satisfactory business in other parts. For the first seven months of 1939 the production of South Africa's secondary industries is expected to be about equal to that of 1938.

CONSTRUCTION

The amount of building plans passed to date is considerably below that for the same period last year. This is due mainly to a decided falling-off in the undertaking of large buildings. There are still plenty of small buildings and homes in course of construction. With the advent of war the building industry generally is now feeling pessimistic as to the immediate future. Several well-known building firms have declined to tender on contracts simply for fear of inability to obtain building materials.

Building plans passed in Johannesburg for the twelve months ending June, 1939, amounted to £6,549,882 as compared with £8,392,688 in 1938.

IMPORTS AND EXPORTS

For the seven months ending July exports amounted to £51,874,000 as compared with £64,511,000 for the first seven months of 1938. In this respect it should be noted that there have been further large amounts of gold earmarked for overseas firms. The total amount of gold earmarked at the end of July was £47,113,538.

Imports are keeping up approximately to those for the corresponding period in 1938, amounting at the end of July to the value of £55,873,000 as against £56,006,000 in 1938. Imports will decline during the last quarter of the year in those commodities for which it is difficult to obtain supplies but will increase in a large number of other commodities, especially from Canada and the United States, which will be purchased with the aim of having heavy stocks available for unforeseen contingencies.

SALES OPPORTUNITIES FOR CANADIAN PRODUCTS IN IRELAND

Mr. James Cormack, Canadian Trade Commissioner at Dublin, writes under date September 28, 1939, that he is in receipt of an inquiry from the management of a large departmental store in Dublin as to the possibility of obtaining the following classes of goods from Canadian sources of supply: Wools, blankets; all-wool union suits and pyjamas; ladies' underwear; rain-coats; calicos; sheetings; clerical black and other serges; men's and women's Wellington boots; cutlery; and attaché cases.

These commodities have in the past been obtained by the Dublin firm from the United Kingdom, but on account of wartime conditions, they will not be available from that source in the usual quantities.

Canadian firms in a position to supply any of these goods may obtain the name and address of the Dublin firm and other details on application to the Department of Trade and Commerce, Ottawa, quoting file No. 19548A.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled under date October 16 as follows:—

As from midnight of October 9, all wheat in Australia with certain exemptions has been taken over by the Commonwealth. To date 100,000 tons of wheat have been sold to the Imperial Government. Prices fixed by the Australian Wheat Board vary from 2s. 10d. per bushel (equivalent to 50 cents Canadian), for wheat on trucks Melbourne basis, to 2s. 7·5d. a bushel (equivalent to 46 cents Canadian) f.o.b. for bulk West Australian wheat. Arrangements have been made with the Commonwealth Bank to finance advances of 2s. per bushel f.o.b. against old season's wheat acquired, netting 1s. 4d. per bushel (equivalent to 23 cents Canadian) to growers. Approximately 5d. per bushel proceeds from tax on flour consumed in Australia is to be distributed to producers on all wheat sold delivered, or acquired during the 1938-39 season. Latest freight rate arranged is 45s. per ton for transport from West Australia to the United Kingdom. The demand for flour is fairly steady, and the purchase of 50,000 tons by the Imperial Government for shipment October, November, and December f.o.b. ex basis is to be spread among millers in all exporting states. New crop prospects continue fairly satisfactory, although conditions are dry in north New South Wales and parts of South Australia. Crop may reach 175,000,000 bushels.

UNITED STATES TURNIP MARKET

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

New York, October 19, 1939.—As stated in a previous report on this subject,* the market for turnips in the United States is more or less static. While there are factors with a minor influence on the price return, the volume consumed is little affected by local conditions and the major controlling factor governing prices is the production in Canada.

Turnips, essentially a "cold weather" vegetable, are imported into the United States from Canada fairly steadily from the beginning of September to the end of April each year. Imports show remarkably little fluctuation, although for the year beginning July 1, 1936, with the full benefit of the reduced duty at 12½ cents (as against 25 cents) per 100 pounds applying for the first time, imports rose to 132,674,000 pounds as against a previous average of about 95,000,000 pounds. Since 1936 there has been a declining trend, imports amounting to 114,905,000 pounds for the fiscal year beginning July 1, 1937, and 111,349,000 pounds for the year 1938-39.

It is difficult to give any valid reason for this slow decline except that turnips are no longer very commonly used either in homes or restaurants in the United States. Local production apparently has increased to some extent, but it seems that the demand is diminishing regardless of the supplies available.

DISTRIBUTION

New York, Boston, and Chicago are the three principal markets for Canadian turnips, although Detroit, Philadelphia, Cleveland, Cincinnati, and Pittsburgh also take substantial quantities each year. As it is relatively small and unimportant, no statistics are available as to the production of turnips in the United States, but in some markets Canadian turnips do not appear to supply such a large proportion of the total as formerly.

* *Commercial Intelligence Journal* No. 1815; November 12, 1938.

Reports covering the unloads of turnips at the principal centres indicate a gradual falling-off in consumption in New York and Boston, but a considerable increase in Chicago. Unload figures for other centres do not show truck unloads. In these cases comparisons are of little value, as most centres draw to a considerable extent on production from the surrounding territories, all of which would be trucked to market.

The New York market regularly receives a considerable quantity of Prince Edward Island turnips that are delivered by water at Port Newark. Consequently, the unload figures for New York by origin do not give an accurate estimate of the proportion of Canadian turnips consumed out of the total unloaded. However, when the Newark unloads are considered in relation to the New York figures it seems that Canadian turnips may be losing ground to turnips from domestic sources.

The following table shows in carlot equivalents total unloads and unloads from Canada at New York and Newark in the last five calendar years:—

	Total	New York		Total	From Canada
		Number	Per Cent		
1934	1,353	717	53	544	440
1935	1,246	598	48	747	622
1936	1,298	642	49	867	814
1937	1,238	737	59	461	302
1938	1,231	762	62	334	165

Total unloads at New York include the Canadian turnips trucked from Newark, but these do not show in the unloads at New York from Canada. The proportion of Canadian unloads to the total at Newark is of little significance when considering total Canadian shipments, since the unloads at Newark would show increases when Prince Edward Island is supplying heavily, whereas Newark unloads would be automatically less in years when Ontario has the greater surplus.

Most of the Newark deliveries from Canada are marketed in New York, so that the sum of the Canadian unloads at New York and Newark compared with the total unloads at New York will give a rough guide as to how the Canadian turnips are holding their position in the market. Such a comparison shows a slight falling-off for Canadian turnips in the last two years, but no definite trend may be established.

New York is supplied throughout the winter from New Jersey and Long Island. Pennsylvania and some other states also ship a few cars. The Canadian shipments, however, still set the price, although the New Jersey and Long Island production undoubtedly exercises some influence.

So far as the total consumption in New York is concerned, unload figures back to 1930 confirm the downward trend (average total unloads for 1930-33 inclusive being 1,378 cars). This decline cannot be attributed to higher prices, since in recent years the market has been seldom strong and for the most part prices have been at very low levels.

Boston shows a greater decline in total consumption (as represented by unload figures), but the Canadian share has been well maintained there during the last few years. Unloads in 1934 were 1,131 cars, but during the following years the figure did not reach the 1,000 mark and in 1938 fell to 713 cars. Canada's share during this period has averaged about 87 per cent each year.

Chicago figures of arrivals (somewhat higher than unloads) show a steady increase from 573 cars in 1934 to 832 cars in 1938. In 1934 Canada only supplied 10 cars but this had been built up to 477 cars in 1938.

Returns for other markets do not include truck deliveries, except that for the last three years Philadelphia figures are complete. These indicate a severe drop in the proportion of turnips from Canada used in that city.

Canadian turnips are highly regarded as to quality. If they are being displaced to a minor extent by local supplies, this change is due to the increasing use of trucks to bring produce from the surrounding area to the city markets each day. Under such conditions for a commodity that is not in great demand dealers find it easier and more profitable to handle the domestic product.

CURRENT MARKET SITUATION

The market this year has opened at levels similar to last year and has shown no signs of strength. New York wholesale selling prices opened at 75 cents per 50-pound sack, but weakened as heavier supplies became available to 55 to 60 cents. Waxed turnips were on the market earlier than usual (September 20) and have mostly sold between 75 and 85 cents.

With a shorter crop of turnips in Prince Edward Island and heavier water freight costs, coupled with higher prices for potatoes as compared with this time last year, a stronger turnip market could have been expected. However, these factors have been over-ruled by the abundance of the Ontario crop which has been moving into New York freely—the low prices being offset to some extent by the exchange premium. If the Ontario production is not found to be large enough to make up for the smaller Maritime production, the market should strengthen later in the year; but for the moment there are no local factors pointing to an improvement.

There is little doubt that waxed turnips are being increasingly used as compared to the ordinary turnips. The offer of waxed turnips so early in the season this year was probably due to the warm weather during the latter part of September, but each year they appear to come into use over a longer period.

MARKET FOR MANUFACTURED PRODUCTS IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

[NOTE.—The following report was prepared a considerable time before the outbreak of war in Europe. To meet war conditions and needs, various measures have already been adopted in the British West Indies to control exchange and limit imports, and others are likely to be adopted. These emergency measures will affect the marketing of Canadian products in this territory. It is felt, however, that even under present changed conditions the publication of this report is of value for its basic information.—EDITOR.]

Port of Spain.—Canada's trade with the British West Indies is centred in the sale of foodstuffs such as flour, fish, and potatoes. Consequently, it is sometimes overlooked that nearly 60 per cent of the imports into the British West Indies (Eastern Group) and British Guiana is made up of manufactured products. Canada's share in this latter trade is small, being about 7.15 per cent of the total value of the manufactured imports.

TOTAL IMPORTS

The following table shows the total value of manufactured products imported into the three main markets—Trinidad, Barbados, and British Guiana—and the percentage of imports into each from Canada, the United Kingdom, and the United States in 1937, 1936, and 1935:—

Total Imports of Manufactured Products into Trinidad, Barbados, and British Guiana

		Per Cent from Canada	Per Cent from United Kingdom	Per Cent from United States
Trinidad:	Total Value ¹			
1937	\$24,274,297	7.0	47.0	27.6
1936	16,697,476	7.2	53.1	20.2
1935	12,882,718	6.2	58.1	17.8
Barbados ² :				
1937	5,513,990	8.0	59.0	9.5
1936	4,995,254	7.5	61.4	8.2
1935	4,268,174	7.9	62.4	9.0
British Guiana:				
1937	7,793,857	5.7	61.6	9.7
1936	6,398,861	5.9	63.1	7.9
1935	5,502,583	8.7	65.1	7.7

¹ Grand total of articles wholly or mainly manufactured including shipments by parcel post.

² All Barbados figures have been converted from sterling at \$4.80.

IMPORTS BY COMMODITIES

The principal manufactured products imported into the main markets of this territory in 1937 were as follows:—

Imports of Manufactured Products in 1937

	Trinidad	Barbados	Brit. Guiana
Machinery	\$7,667,877	\$487,406	\$1,284,942
Metal manufactures	2,522,442	.....	647,421
Cotton piece-goods	1,112,483	350,136	701,777
Vehicles of all kinds, parts	1,629,625	378,288	365,377
Painters' colours, varnish, etc.	752,582	90,278	104,145
Apparel	722,775	216,192	208,392
Boots, shoes and slippers ¹	658,118	217,464	289,986
Silk and art silk manufactures	649,519	161,760	289,476
Cement	604,112	65,524	93,168
Hardware	542,306	187,329	64,404
Electrical apparatus	482,959	250,430	155,877
Implements and tools	418,011	16,617	105,074
Paper and paper manufactures	385,252	154,099	218,570
Wool and wool manufactures	359,480	137,419	135,405
Cotton manufactures	344,364	334,550	138,275
Chemicals	324,168	49,593	95,026
Manures and fertilizers	286,041	455,923	417,109
Common soap	240,256	102,499	131,745
Hats and caps	232,689	75,821	120,887
Medicine and drugs	207,090	89,539	164,669
Lubricating oil	170,342	38,030	76,295
Glass and glassware	193,294	34,344	47,669
Wood and timber manufactures	136,067	76,857	45,245
Cordage and twine	119,860	24,864	81,131
China, porcelain and pottery	111,234	23,577	22,534
Hosiery	102,099	41,942	42,251
India rubber and gutta percha manufactures	95,485	57,816 ²	8,244 ³
Perfumery	93,542	39,758	48,001
Toys and games	84,689	8,116	28,834
Fancy soap	52,024	17,428	22,486
Leather manufactures	46,104	26,942	17,545
Brooms and brushes	21,995	12,681	7,319

¹ Including rubber-soled canvas shoes. ² Includes tires and tubes. ³ Does not include tires and tubes.

No reference is made to manufactured foodstuffs or lumber as these do not come within the local customs classification of manufactured products.

MACHINERY

Sugar machinery, together with oil-mining and refining machinery in Trinidad and gold and bauxite mining machinery in British Guiana, comprise most of the heavy machinery imports into this territory. There is also a steady importation of electrical machinery, metal-working machine tools, engines other

than for vehicles, sewing machines, printing machinery and office appliances, together with a large number of products of small commercial value. The inclusion of steel pipes and tubing for the oilfields, valued at approximately \$4,213,504 in 1937, is responsible for the unusually high value of machinery imports into Trinidad for that year.

A survey of the market for pipes and tubing and other types of oilfield equipment appeared in *Commercial Intelligence Journal* No. 1855 (August 19, 1939).

Imports from Canada to date, as indicated in the following table, have consisted of moderate quantities of oil-refining equipment, mining machinery, sugar machinery, office appliances, railway equipment, and products of minor value in a number of unenumerated classes:—

Machinery Imports from All Countries and from Canada

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Sugar Machinery—						
Trinidad	\$153,913	\$ 527	\$175,813	.....	\$220,767	.....
Barbados	342,393	6,427	263,601	\$18,264	155,553	\$ 8,520
British Guiana. . .	490,596	235	312,319	395	177,428	13,730
Oil Refinery Machinery—						
Trinidad.	583,464	50,838	160,581	2,190	190,607	.....
Oil Mining Machinery—						
Trinidad.	475,022	523	450,941	4,771	499,666	3,117
Barbados	17,395	.....	16,761	.....	2,812	.....
Mining Machinery—						
British Guiana. . .	356,284	25,796	133,373	10,406	98,753	53,060
Office Machinery—						
Trinidad.	20,488	4,786	17,021	3,951	10,832	1,051
Barbados ¹	5,361	560	4,742	892	3,825	1,036
British Guiana. . .	9,165	3,108	6,642	2,114	5,229	786
Machinery N.O.P.—						
Trinidad.	1,440,983	3,937	878,859	23,338	490,468	2,499
Barbados	43,099	902	56,419	614	54,451	393
British Guiana. . .	174,197	2,220	91,496	9,973	69,609	7,202
Railway Materials and Parts—						
British Guiana. . .	27,164	3,139	17,908	1,405	45,605	1,227
Locomotive Parts—						
Trinidad.	26,880	8,041	19,257	1,151	17,500	1,739
Railway Carriages, Wagons, Trucks Complete—						
Trinidad.	135,672	42,854	20,183	.....	27,423	.....
Tubes and Pipes up to 6-in. Diameter—						
Trinidad.	2,208,690	58,440	1,289,484	68,294	686,118	21,825
Tubes and Pipes over 6 in. Diameter—						
Trinidad.	2,004,814	76	1,003,232	6,084	709,492	.....

¹ Typewriters and parts.

METAL AND HARDWARE

The main impetus to the metal and hardware imports is derived from the building trade, which, especially in Trinidad, is showing steady activity. Steel reinforcing bars, plates, sections, galvanized iron roofing, wire nails, bolts, nuts, domestic and sanitary steel and iron ware and tools are the chief products imported.

Supplies from Canada have consisted largely of steel rods, structural steel, wire nails, fencing and netting, metal furniture, a limited quantity of bolts and nuts and rivets, together with a number of unclassified products of lesser value.

The values of the leading imports from Canada from 1935 to 1937 into the major markets of this territory were as follows:—

Metal and Hardware Imports from All Countries and from Canada

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Steel Bars and Rods—						
Trinidad.	\$194,606	\$52,868	\$ 96,185	\$ 7,358	\$ 45,425	\$ 2,023
Barbados ¹	35,942	3,907	31,747	955	47,544	1,795
British Guiana ² ..	55,748	7,041	33,607	1,123	36,201	1,455
	¹ Including steel hoops. ² Including steel plates.					
Structural Steel—						
Trinidad.	493,887	21,421	240,578	27,927	203,898	940
Wire Nails—						
Trinidad.	53,558	41,091	26,122	19,293	28,956	20,593
Barbados ¹	24,955	17,596	22,137	15,129	25,147	17,462
British Guiana ² ..	26,437	14,121	23,308	12,998	25,039	18,241
	¹ Also rivets. ² Also spikes.					
Bolts, Nuts, Rivets, etc.—						
Trinidad.	75,324	5,113	50,701	4,526	38,463	2,442
British Guiana ¹ ..	22,387	1,254	15,774	1,059	14,454	959
	¹ Bolts, nuts, washers and chains.					
Rivets, Wire and Wire Manufactures—						
British Guiana. . .	39,828	4,724	18,374	1,835	24,224	4,004
Wire Netting, Fencing and Mesh, except Fencing Wire—						
Trinidad.	31,864	9,714	21,118	5,230	21,713	4,888
Wire and Wire Manufactures N.O.P.—						
Trinidad.	100,761	6,034	58,153	4,626	51,912	2,106
Barbados ¹	12,570	1,214	10,108	897	11,779	676
	¹ Wire and wire fencing.					
Metal Furniture—						
Trinidad.	131,291	23,086	93,446	25,887	68,412	16,874
Barbados	63,576	8,808	51,441	7,324	43,507	7,272
British Guiana. . .	68,861	22,529	55,411	17,076	49,917	11,850
Punt Plates and Cane Carrier Chains—						
British Guiana. . .	70,154	3,097	56,433	3,860	28,344	2,962
Iron and Steel Manufactures N.O.P.—						
Trinidad.	646,432	17,230	589,740	28,127	226,145	1,800
Barbados	143,294	9,067	112,166	2,673	173,793	3,286
British Guiana. . .	96,414	2,310	58,087	8,032	38,975	366

In the absence of any signs of slackening in the present building activity, it is believed the market for Canadian metal building materials should continue to expand.

Steel office equipment is becoming increasingly popular and the market for it in this territory warrants close attention from Canadian manufacturers.

MOTOR VEHICLES

The growing sales of Canadian Ford and Chevrolet cars and trucks have been among the main reasons for the moderate increase in the iron and steel manufactures imported into this territory from Canada during the last few years. In spite of the high price of gasoline, insurance costs, and annual licensing fees, which undoubtedly encourage the use of light-weight, low fuel-consuming cars imported from England and Germany, Canadian-made motor cars are popular with people who can afford their upkeep. They are extensively used by the garage and taxi services.

Automobile parts are, however, imported largely from the United States.

Imports of motor vehicles from 1935 to 1937 from Canada, together with total imports, were as follows:—

Imports of Motor Vehicles from All Countries and from Canada

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Passenger Cars—						
Trinidad	\$552,777	\$349,642	\$397,098	\$255,115	\$306,833	\$188,905
Barbados	222,297	95,764	193,896	70,358	185,673	61,636
Trucks—						
Trinidad	73,097	40,014	75,608	33,301	94,882	59,287
Barbados	69,336	39,187	55,708	21,633	40,910	15,307
Passenger Cars and Trucks—						
British Guiana	220,278	51,624	130,664	26,224	91,486	21,303
Chassis with or without Engines, for Commercial use—						
Trinidad	196,601	127,233	135,975	83,886	57,358	31,971
Vehicles, other sorts ¹ —						
Trinidad	39,266	7,111	21,550	3,414	6,458	426
¹ Does not include bicycles or motor cycles.						
Parts, N.O.P.—						
Trinidad	129,164	17,274	94,151	15,735	73,361	8,851
Barbados	45,792	6,446	47,985	8,385	43,593	5,452
British Guiana	46,268	7,552	33,696	6,659	24,568	6,496

ELECTRICAL APPARATUS

Up to the present most of the electrical apparatus imported has been of a commercial type, as the sales volume for domestic appliances, except electric refrigerators, has been small. A review of this trade appeared in *Commercial Intelligence Journal* No. 1771 (January 8, 1938).

Total imports of electrical apparatus and imports from Canada from 1935 to 1937 were as follows:—

Imports of Electrical Apparatus from All Countries and from Canada

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Telephone and Telegraph Apparatus, Except Wireless—						
Trinidad	\$ 16,294	\$5,142	\$ 12,648	\$2,320	\$ 42,484	\$4,844
Electric Lighting Appliances other than Bulbs—						
Trinidad	45,163	3,733	17,675	935	12,806	878
Electrical Goods and Apparatus N.O.P.—						
Trinidad. ³	194,024	7,504	96,634	2,936	77,371	3,914
Barbados ¹	232,060	2,568	173,049	2,016	69,475	1,598
British Guiana ²	128,601	6,135	117,245	3,711	129,915	4,246

¹ All electrical goods other than radio appliances. ² All electrical goods other than cooking, heating appliances and wires and cables. ³ Does not include electric wires and insulated cables.

Accumulators and parts—						
Trinidad	16,113	7,287	15,500	6,352	11,820	4,139

TEXTILES AND WEARING APPAREL

As might be expected in a low-priced tropical market, cotton textiles are the principal woven product imported, together with lesser quantities of cheap artificial silk piece-goods and woollen goods. The trade, however, is of slight interest to Canadian manufacturers, who find it difficult to compete with United Kingdom exporters, although small quantities of cotton duck are imported from Canada.

It is in the supply of better-class wearing apparel, as compared with low-priced apparel imported from Asiatic sources, that Canadian manufacturers have been able to make considerable progress in recent years. Canadian products are of a quality and price that do not warrant the general interest of the large, low-wage-earning coloured population, but they are gaining moderate and increasing sales among the more affluent classes. Rubber-soled canvas shoes,

however, do enter the low-priced market and form the largest item of wearing apparel imported from Canada.

HOSIERY

Next to rubber-soled canvas shoes, silk hosiery is the principal type of Canadian wearing apparel imported. Nearly all the leading Canadian manufacturers are represented on the local markets, and, as will be seen from the tables below, the trade has increased steadily in recent years.

Imports of Silk Hosiery

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Trinidad	\$25,754	\$23,818	\$23,813	\$22,163	\$18,875	\$16,771
Barbados ¹	13,617	12,974	11,520	9,912	6,316	5,270
British Guiana	7,469	6,608	7,751	7,310	5,408	5,324

¹ No separate figures; these are for hosiery of less than 1s. 6d. in first cost.

Imports of Other Hosiery, 1937

	Trinidad		Barbados ¹		British Guiana	
	Total	From Canada	Total	From Canada	Total	From Canada
Cotton	\$18,919	\$4,585	\$28,324	\$3,859	\$ 4,702	\$2,316
Artificial silk	52,800	5,577	.....	.....	27,764	6,251

¹ No separate figures; these are for hosiery of less than 1s. 6d. in first cost.

CLOTHING

Other items of wearing apparel obtained from Canada in increasing quantities include men's cotton shirts, cotton underwear, neckwear, bathing suits, ladies' and children's dresses (mostly of artificial silk), and small quantities of artificial silk underwear. These products were the subject of a report entitled "Market for Apparel in the British West Indies (Eastern Group) and British Guiana" published in *Commercial Intelligence Journal* No. 1787 (April 30, 1938).

A recent development has been the importation of ladies' and men's felt hats from Canada. The following import figures for 1937 show the small entry into a market which offers considerable scope for expansion: Trinidad, total \$232,689, Canada \$3,043; Barbados, total \$75,820, Canada \$484; British Guiana, total \$120,887, Canada \$1,350.

FOOTWEAR

The market for footwear was fully reviewed in a report on the "Market for Footwear in the British West Indies (Eastern Group) and British Guiana," which appeared in *Commercial Intelligence Journal* No. 1775 (February 5, 1938).

Low-priced ladies' leather shoes in wide lasts have been imported in small but increasing quantities during the past three years, and are a trade in which prospects are encouraging.

CHEMICALS

There are extensive imports of chemicals, but aside from calcium carbide very little is obtained from Canada. Almost the entire imports come from the United Kingdom.

CHEMICAL FERTILIZERS

Chemical fertilizers are imported in large quantities for use on the sugar plantations. These consist of sulphate of ammonia, which is the product in greatest use, sulphate of potash imported from Germany, phosphates, and soda products.

Sulphate of ammonia is the only item of importance obtained from Canada. Imports of this fertilizer from 1935 to 1937 were as follows:—

Imports of Sulphate of Ammonia

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Trinidad	\$233,701	\$ 7,590	\$260,465	\$ 32	\$194,064	.....
Barbados	231,739	39,480	219,288	66,240	219,993	84,398
British Guiana ¹ .. .	367,558	.....	334,556	40,616	333,732	63,376

¹ Includes sulphate of ammonia (nitrates of lime, potash and soda) and guano.

As in the case of other products purchased by the sugar estates, the opportunity for the disposal of Canadian products is limited, due to the practice of the large estates of securing their requirements through United Kingdom buying offices.

PAINTS

Coincident with the increase in building activity since 1935 there has been an upward trend in the importation of paints, including ready-mixed paints from Canada, although the bulk of this territory's paint supplies are received from the United Kingdom. Trinidad has been a particularly active market for the sale of paints, primarily because of building activity. There is also a limited demand in the oilfields; limited because the two largest firms purchase much of their paint from affiliated paint companies. The following table shows the total imports of paints in 1935, 1936, and 1937 and the imports from Canada:—

Imports of Paints from All Countries and from Canada

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Ready-mixed Paints—						
Trinidad	\$92,382	\$25,689	\$61,889	\$10,439	\$48,615	\$6,922
Barbados ¹	80,649	19,435	63,796	8,222	56,601	4,243
British Guiana ² .. .	93,827	5,746	70,964	6,661	68,746	4,939

¹ Paints and colours, all kinds. ² Paints, including colours and pigments.

Read-mixed Enamels—						
Trinidad	25,194	5,878	13,592	2,073	9,562	1,177
Varnishes and Lacquer (Clear)—						
Trinidad	29,931	8,546	18,197	3,645	16,957	3,111
Barbados ¹	9,393	4,248	7,728	2,184	6,043	2,760
British Guiana ² .. .	6,780	3,481	4,948	3,206	4,913	2,118

¹ Varnish and polish. ² Varnish and polish not containing spirit.

DRUGS, SOAPS, AND COSMETICS

DRUGS

Proprietary medicines or branded remedies find a receptive market among the native population, but their introduction entails extensive advertising. The general trade has tended to increase in recent years and with it there has been a moderate increase in imports from Canada.

Imports of Drugs and Medicines

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Drugs and Medicines—						
Trinidad ¹	\$150,325	\$22,119	\$119,763	\$18,415	\$120,382	\$16,225
Barbados	89,539	6,902	84,312	6,163	93,038	5,265
British Guiana ² .. .	147,960	23,500	118,629	18,694	111,830	20,634
¹ Proprietary medicines n.o.p. ² Medicines and drugs, other kinds.						
Medicinal Oils—						
Trinidad	16,679	6,283	14,453	4,124	13,317	3,587
Medicinal Spirits N.O.P.—						
Trinidad	48,204	5,847	35,668	2,311	28,481	3,093

SOAPS

The volume sale of soaps in this territory is for common washing soaps. Most of the laundering and scullery work is done by hand by natives, with the result that there is a steady demand for cheap brown and blue mottled soaps. Most of the soap is obtained from the United Kingdom, importations from Canada being almost nil.

Toilet soap, which has a much more limited market, is being imported in moderate but increasing quantities from Canada. There is also a limited market for carbolic soap. The following table shows the imports of toilet soap and hard soap from all countries and from Canada in 1935, 1936, and 1937:—

Imports of Toilet and Hard Soaps

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Toilet Soap—						
Trinidad	\$ 49,343	\$12,523	\$ 37,807	\$9,366	\$ 35,256	\$8,927
Barbados	17,428	3,969	12,048	2,990	12,801	2,635
British Guiana ..	22,486	4,687	16,078	3,780	18,205	2,776
Hard Soap in Tablets and Bars—						
Trinidad.	240,256	7,693	138,598	5,050	171,917	3,692

N.B.—The volume of common soap imported into Barbados and British Guiana is large, but imports from Canada are almost nil.

COSMETICS, PERFUMERY, AND TOILET REQUISITES

The United States is the major source of supply of cosmetics and toilet requisites, certain well-known brands being strongly established in the local markets. Imports from Canada to date have been small.

Imports of Cosmetics, Perfumery, and Toilet Requisites

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Trinidad ¹	\$88,135	\$9,821	\$64,535	\$5,660	\$55,137	\$5,007
Barbados.. . . .	39,758	2,625	34,022	1,968	35,630	1,939
British Guiana	48,001	3,513	45,059	3,284	38,842	4,169

¹ Solid cosmetics, etc.

PAPER AND PAPER MANUFACTURES

Of the various paper products listed in the following import figures, kraft wrapping paper, paper bags, and wallboard are subject to the most frequent inquiry as to Canadian sources of supply. At present kraft wrapping paper is imported extensively from Sweden. That country, Denmark, and Holland form the main European sources of supply competing with imports from Canada. The United States is the main source of supply of paper bags imported into Trinidad, while wallboard is imported chiefly from Finland, the United States, and Canada. Sales of the latter product have shown considerable development in Trinidad due to active building programs.

While newsprint imports are grouped under the general classification of "printing paper," it is known that the imports of newsprint into Trinidad are mainly from Canada, those into Barbados mainly from Norway, and those into British Guiana mainly from England. Newsprint imports enter Barbados duty

free. The following table shows the total imports of paper and paper manufactures and the imports from Canada:—

Imports of Paper and Paper Manufactures

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Printing Paper—						
Trinidad.	\$ 50,315	\$43,383	\$ 45,248	\$41,299	\$ 40,042	\$28,098
Barbados	25,368	2,280	22,070	1,728	17,448	1,300
British Guiana. . .	42,871	9,193	51,437	8,761	40,174	8,320
Wrapping Paper—						
Trinidad ¹	99,414	16,227	46,561	20,700	36,530	2,584
Barbados	65,313	12,768	45,571	5,702	44,524	3,460
		¹ Unglazed.				
Paper Bags—						
Trinidad.	62,946	22,003	41,060	10,191	37,720	13,959
Stationery—						
Trinidad.	103,018	6,162	96,486	5,287	78,659	2,733
Barbados ¹	10,785	115	10,934	321	11,126	144
		¹ Writing paper.				
Boxes and Cartons—						
Trinidad.	32,346	4,265	26,609	3,672	23,323	3,315
Wallboards—						
Trinidad.	32,387	10,183	20,735	6,714	9,511	4,186
Paper N.O.P.—						
Trinidad.	110,213	18,030	83,540	9,823	73,599	9,601
Barbados	52,089	2,251	45,014	1,521	38,433	1,776
British Guiana. . .	175,118	31,769	121,161	17,412	130,520	13,457

NOTE.—The customs returns for Barbados and British Guiana do not provide the same extensive classification as those of Trinidad, hence the absence of details for these two colonies in many of the items listed above.

WOOD MANUFACTURES

Aside from box shooks and staves, which are classified as semi-manufactured products, most of the wood manufactures imported consist of various forms of furniture.

Wooden furniture, such as cabinets, wardrobes, tables, and chairs of good quality, are manufactured locally from tropical woods which are more impervious to tropical climatic conditions and termite attack than imported woods or wooden furniture. The sale of locally made furniture available at moderate prices is further encouraged by the high freight costs incurred in the importation of bulky pieces of furniture.

Bentwood furniture, such as bentwood chairs, however, has been imported for years from Poland and other European countries and is sold in the cheap furniture trade. Folding chairs and other compact pieces of furniture which can be shipped without undue freight cost are imported from Canada.

It is possible that veneered furniture, shipped knocked down and capable of easy and quick assembling, might find some interest on this market.

One of the most recent developments in the importation of builders' woodwork into Trinidad has been the arrival of factory-made doors from Canada. The finished workmanship of these doors and their relatively low price have resulted in a small but expanding trade.

Imports of Wood Manufactures

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Furniture and Cabinetware—						
Trinidad.	\$86,955	\$13,438	\$63,601	\$ 9,979	\$53,206	\$ 8,217
Barbados	39,316	6,556	27,076	6,955	24,998	6,139
British Guiana . . .	21,574	6,775	24,131	10,224	22,784	6,995
Builders' Woodwork ¹ —						
Trinidad	12,647	3,736	946	35	1,492	237

¹ Classification available only in Trinidad statistics.

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Containers for Locally Manufactured Goods—						
British Guiana ¹	\$14,245	\$ 6,506	\$16,013	\$12,620	\$77,367	\$72,898
¹ Special British Guiana statistical classification.						
Wood Manufactures, other kinds—						
Trinidad ¹	31,966	5,873	26,497	2,384	23,127	2,584
Barbados	35,750	11,736	29,568	6,158	18,619	4,430
British Guiana.	9,426	1,613	9,309	1,444	9,052	767
¹ Excluding domestic woodenware, plywood and tool handles.						

Reduced imports of empty barrels was largely responsible for the drop in imports into British Guiana between 1935 and 1936 under the classification "containers for locally manufactured goods."

CEMENT

The extensive use of cement for housing and general construction purposes makes this territory a steady market for United Kingdom and Canadian cement.

There has been a rapid increase in imports of cement into Trinidad during the last few years due to the demands of the building trade and the expansion of oilfield operations. Prices are uniform, but the bulk of the imports are from the United Kingdom because, among other reasons, the requirements of the Public Works Department are supplied through the Crown Agents in London, and it is the practice of one of the largest oilfield companies to use an English brand. Nevertheless, Canadian supplies have been increasing and prospects for sale among the oilfield companies appear to be improving.

Imports of Cement from All Countries and from Canada

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Trinidad	\$604,112	\$52,287	\$410,729	\$21,782	\$339,741	\$21,953
Barbados.	65,524	7,555	64,344	5,457	59,908	5,956
British Guiana	93,168	13,370	63,079	10,790	76,088	5,319

LUBRICATING OILS

The United Kingdom, the United States, and Canada are the three main sources of supply for lubricating oils. Approximately 91 per cent of imports from Canada is made by a leading Trinidad oil company from an affiliate in Canada. This firm, besides operating extensively in the oilfields, has a number of filling stations in Trinidad for the distribution of its products. The remainder of the lubricating oil imported from Canada is largely from one other Canadian oil company with a Trinidad affiliate, and, it is understood, is used principally for oilfield purposes.

Imports of Lubricating Oils

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Trinidad	\$167,202	\$36,141	\$163,621	\$30,370	\$141,584	\$21,996
Barbados.	38,030	1,056	29,654	.....	36,964	576
British Guiana	76,295	13,151	53,687	7,619	50,583	3,825

CORDAGE AND TWINE

There is a steady market in this territory for sisal and manila rope, and jute, cotton, and other types of twine.

Rope can be roughly classified according to use into three general grades: the close-bound, heavy rope for the waterfront and barge trade; the cheap, light

ropes for use on estates and by native carriers; and the high-grade ropes for the Trinidad oilfields and industrial purposes.

Most of the rope and twine imports are from the United Kingdom at prices which are quite low, due in a measure to better freight rates. Imports from Canada are spasmodic, depending on ability to meet United Kingdom quotations.

Imports of Cordage and Twine

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Trinidad—						
Cordage ¹	\$70,282	\$6,922	\$43,625	\$ 866	\$35,558	\$3,934
Twine ²	49,572	4,375	35,525	1,942	34,004	1,029
¹ Cordage, rope, etc., $\frac{1}{4}$ in. and over in diameter. ² Cordage, rope, etc., under $\frac{1}{4}$ in. in diameter.						
Barbados—						
Cordage	15,628	6,014	9,888	2,851	10,857	4,80
Twine	9,235	2,112	7,622	1,464	6,796	1,219
British Guiana—						
Cordage	34,060	....	21,216	....	24,574	....
Twine	47,071	5,958	29,909	3,957	29,989	4,076

RUBBER MANUFACTURES

Rubber tires and tubes for motor cars are the most important rubber products imported into this territory. As might be expected, with an increasing supply of Canadian-made motor cars there has been a corresponding increase in the importation of rubber tires and tubes from Canada. Similarly, most of the remaining tires and tubes imported are from the United Kingdom for English motor vehicles.

As indicated in the following table of imports of rubber manufactures, there are also limited imports of such rubber products as rubber belting, rubber heels, hose, sheeting, surgeons' and electricians' gloves, toy balloons, etc. The United States is the chief source of supply of unclassified rubber products to Trinidad with imports from that source increasing from \$27,604 in 1936 to \$44,481 in 1937. It is believed that most of this increase was due to imports for oilfield purposes.

Imports of Rubber Manufactures

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Tires and Tubes ¹ —						
Trinidad	\$139,234	\$74,538	\$121,100	\$57,525	\$87,147	\$42,569
Barbados	43,483	22,296	43,876	15,259	38,880	13,771
British Guiana ² . .	39,327	13,997	32,860	13,073	32,478	12,894
¹ Inner tubes and outer covers for motor cars. ² For motor cars and motor cycles.						
Rubber Heels—						
Trinidad ¹	5,120	2,497	3,353	1,843	2,801	1,076
¹ Special classification in Trinidad customs returns only.						
Rubber Apparel—						
Trinidad ¹	1,736	....	1,094	22	802	....
¹ Special classification in Trinidad customs returns only.						
Rubber Manufactures N.O.P. ¹ —						
Trinidad	88,629	12,086	67,075	7,678	47,124	5,175
Barbados	7,214	3,734	7,675	2,419	5,409	2,260
British Guiana . .	8,244	2,435	7,138	1,679	8,252	1,480
¹ Rubber sheeting, tubing, elastic webs, matting, vulcanite, etc., but not including canvas shoes with rubber soles.						

LEATHER MANUFACTURES

A number of small shoemaking establishments in Trinidad and the other main markets of this territory provide an outlet for sole and upper leathers.

To date Canada has supplied small quantities of upper leather, as indicated under "dressed leather" in the table of imports below. Sole leather is classified

as "undressed leather." Imports of ladies' leather handbags form the main item of imports from Canada under "leather trunks, bags, etc."

Imports of Leather Manufactures

	1937		1936		1935	
	Total	From Canada	Total	From Canada	Total	From Canada
Dressed Leather—						
Trinidad	\$28,651	\$4,903	\$19,409	\$3,704	\$16,703	\$2,419
Barbados ¹	20,155	979	12,009	1,200	14,236	196
British Guiana	3,495	....	2,582	26	2,582	....
	¹ Leather, dressed and undressed.					
Leather Trunks, Bags, etc.—						
Trinidad	37,493	3,069	29,510	1,174	27,627	234
Barbados . . . . .	.....	.....	.....	.....	.....	.....
British Guiana	3,575	146	2,382	110	1,492	....

Imports from Canada were almost nil in 1937 in the following classes: undressed leather, saddlery and harness, "other kinds." Total values of imports in these classes were:—

	Trinidad	Barbados	British Guiana
Undressed leather	\$10,481	....	\$3,568
Saddlery and harness	15,543	\$2,126	3,200
Other kinds	6,972	4,660	3,707

TOYS AND GAMES

GAMES EQUIPMENT

Cricket, football, tennis, and ground hockey—the common British games—are popular in the British West Indies, with the result that most of the sporting equipment is obtained from the United Kingdom.

TOYS

The United Kingdom, Germany, and Japan are the main sources of supply for toys, which are usually ordered prior to June for the Christmas trade. The volume trade is in cheap toys, although it is reported that the demand is increasing for better-class products. Up to the present, dolls have been the main item in this trade imported from Canada.

Imports of toys of all kinds into Trinidad in 1937 were valued at \$54,536, Canada supplying to the value of \$3,378. Imports of toys and games, but not sporting accessories, into Barbados were valued at \$8,116, of which Canada contributed to the value of \$556. The total value of imports of toys and sporting equipment into British Guiana was \$28,834, Canada's share of imports being valued at \$2,045.

BROOMS AND BRUSHES

Household brushes, including corn brooms, toilet brushes, and paint brushes, have a moderate but steady sale in this territory, with Canada obtaining a portion of the trade in each class.

The total value of imports of brooms and brushes into each of the three main markets in 1937, with Canada's share of the trade in each case, was as follows: Trinidad, total \$46,578, Canada \$8,619; Barbados, total \$12,681, Canada, \$2,491; British Guiana, total \$7,319, Canada \$4,532.

IMPORTS FROM THE UNITED KINGDOM AND THE UNITED STATES

The British West Indies and British Guiana markets are primarily price markets which permit the sale of low-quality consumption goods, although the standard of quality is necessarily maintained in production goods such as machinery.

At equal prices Canadian products have the advantage of a quicker delivery service over products imported from the United Kingdom, and a tariff advantage over those imported from the United States.

Following are lists of products which are imported chiefly from the United Kingdom and from the United States:—

Products Mainly Supplied by the United Kingdom.—Sanitary ware, asbestos products, cement, steel sheeting, galvanized and corrugated sheeting, structural steel, rails, bolts and nuts, wire manufactures other than nails, domestic and sanitary metal hollow-ware, copper and brass manufactures, hardware other than hollow-ware, agricultural implements, insulated wire and cable, electrical machinery, sugar-making machinery, sewing machines, printing machinery, cotton piece-goods, artificial silk piece-goods, woollen goods, cordage, linen and hemp manufactures, leather footwear, hats and caps, artificial silk hosiery, salt, chemicals, medicines and drugs, paints, candles, common and toilet soap, lubricating oils, leather trunks and bags, stationery, bicycles and parts, printed books, brushes other than household, sulphate of ammonia, gold and silversmith wares, machinery belting, polishes, sports equipment, and matches.

Products Mainly Supplied by the United States.—Metal furniture, hoop and strip steel, artisans' tools, exposed films, optical appliances, scientific appliances, wireless apparatus, batteries, electrical apparatus, tractors, machine tools, office machinery, oil-mining and oil-refining machinery, general machinery, automobile arts, rubber manufactures in general, explosives, leather cloth and oil cloth, fire extinguishers, gramophone records, solid cosmetics, and toys.

In addition, the United States supplies considerable quantities of structural steel, uncoated steel plates, steel tubes and pipes, wire goods, bolts and nuts, brass and alloy manufactures, hardware, proprietary medicines, painters' colours, and printed books.

Leeward and Windward Islands

Apart from the three major markets of this territory, there is a number of smaller markets in the Leeward and Windward Islands extending from St. Kitts to Grenada and generally referred to as the "Northern Islands." Their total imports of manufactured products in 1937 amounted in value to £833,258 (\$3,999,638) or approximately 9·6 per cent of the value of the total imports of manufactured products into the British West Indies (Eastern Group) and British Guiana, amounting to \$41,581,782, in the same year.

As in the case of the larger markets, the United Kingdom was the main source of supply. The value of imports of manufactured products into these islands in 1937 by principal supplying countries and groups of countries was as follows:—

	Leeward Islands	St. Vincent	St. Lucia	Grenada
United Kingdom	£208,437	£68,154	£56,129	£121,648
Canada	33,280	8,482	4,819	13,589
United States	70,559	14,969	12,345	22,649
Other British countries	51,366	11,264	12,698	25,390
Other foreign countries	43,430	11,526	18,531	23,755

The principal manufactured products imported in 1937, in approximate order of value, were: cotton piece-goods, hardware, manures, sugar machinery, boots and shoes, apparel, medicine and drugs, motor cars and parts, common soap, hats and caps, cement, metal manufactures, silk and art silk manufactures, electrical supplies, haberdashery and millinery, paper manufactures, implements and tools.

CONTROL OF WAR PROFITS IN FRANCE

Mr. J. P. Manion, Assistant Commercial Attaché at Paris, writes under date September 19 that a decree has appeared relative to the control of profits on the production of armaments or war materials in France.

The decree, under date of September 4, states:—

Enterprises working for the needs of the country will be remunerated only by the profit remaining after the following annual taxes returning to the State:—

A tax of 25 per cent on net profit amounting to not more than 2 per cent of gross income or turnover.

A tax of 50 per cent on net profit amounting to between 2 and 6 per cent of gross income or turnover.

A tax of 75 per cent on net profit amounting to between 6 and 8 per cent of gross income or turnover.

A tax of 100 per cent on net profit amounting to over 8 per cent of gross income or turnover.

This means that if a firm obtains a profit of 8 per cent on its sales to the State, it will pay 50 per cent of this in taxes so that the total profit remaining will be 4 per cent, which is the maximum.

WHEAT AND FLOUR TRADE IN ITALY

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Milan, September 7, 1939.—Italy was one of the largest importers of wheat in the world prior to the "Battle of the Grain," instituted by the present regime in 1925. Italy, after European Russia and France, is now the third largest wheat-producing country in Europe. Tremendous expenditures have been made by the Italian Government to render the country self-sufficient in wheat production. The average production for the years 1933 to 1937 as compared with that for the period 1909 to 1913 shows a 45·6 per cent increase. This increase has been effected (1) by increasing the acreage, (2) by the intensive use of fertilizers, and (3) by the use of improved varieties.

How great the effort has been to render the country self-sufficient can, perhaps, best be gauged by comparing the wheat crop of 1938 with that of an average pre-war year; the increase in production has been 62 per cent. The average yield per acre last year was 23·91 bushels. This is a high figure when it is considered that Italy is for the most part a mountainous and hilly country and that the climate is not particularly favourable to the production of wheat. In several provinces in Northern Italy the yield is from 37·12 bushels to 44·55 bushels per acre. Probably the greatest factor in the recent increase in production has been the use of selected seed. At present Italy is nearly or wholly self-sustaining in wheat production.

The outstanding feature of wheat consumption in Italy is the importance of alimentary pastes in the national diet. Italy has the largest per capita consumption of durum wheat in the world and is also one of the largest producers of this variety.

IMPORTS AND EXPORTS

The importation of wheat into Italy is subject to ministerial licence, and all foreign purchases are in the hands of a semi-official organization called "Federazione Italiana dei Consorzi Agrari," with offices in Rome. This is the only body empowered to place orders abroad, whether for domestic consumption or for re-exportation in the form of flour. The importation of wheat flour is also subject to ministerial licence.

The "Battle of the Grain" has greatly reduced the imports of wheat into Italy. For example, imports in 1938 show a decrease of 89·46 per cent as com-

pared with those in 1928. In other words, imports are one-tenth of what they were ten years ago. Following are the figures:—

	1928	1938
	M. Tons	M. Tons
Hard wheat	733,851	11,637
Soft wheat	2,011,211	277,492
	<hr/> 2,745,062	<hr/> 289,129

The exportation of wheat and wheat flour from Italy is prohibited except under licence. While Italian export figures show that considerable quantities of wheat flour are being exported to Italian colonial possessions, this is regarded as trade within the Italian Empire.

DOMESTIC WHEAT PRODUCTION

Italy produces both common and durum types of wheat. The common type is of soft texture, red in colour, and a winter variety. Following is a list of the types of wheat now officially recognized for cultivation purposes in Italy and registered in the National Register of Selected Varieties of Wheat, August 29, 1938:—

Carlotta.—Autumn wheat, soft, awny; suitable for bread-making.

Terminillo.—Autumn wheat, soft, awny; suitable for bread-making.

Dauno III.—Autumn wheat, hard, awny; suitable for the manufacture of alimentary pastes.

Dauno VI.—Autumn wheat, hard, awny; suitable for the manufacture of alimentary pastes.

Rieti II.—Autumn wheat, soft, awny; suitable for bread-making.

Inalleteabile 96.—Autumn wheat, soft, semi-awny; suitable for bread-making.

Gentilrosso 48.—Autumn wheat, soft, semi-awny; suitable for bread-making.

Cologna 12.—Autumn wheat, soft, awny; suitable for bread-making.

Cappelli.—Autumn wheat, hard, awny; high-yielding; suitable for the manufacture of alimentary pastes.

Aziziah 17-45.—Autumn wheat, hard, awny; early maturing; suitable for the manufacture of alimentary pastes.

Ardito.—Autumn wheat, soft, awny; very early maturing, high yielding; suitable for bread-making.

Villaglori.—Autumn wheat, soft, awny; very early maturing; suitable for bread-making.

Mentana.—Autumn wheat, soft, awny; very early maturing; high-yielding; suitable for bread-making.

Balilla.—Autumn wheat, soft, awny; very early maturing; suitable for bread-making.

Damiano.—Autumn wheat, soft, awnless; very early maturing; the most productive variety; suitable for bread-making.

Virgilio.—Autumn wheat, soft, awnless; great resistance to rust; high-yielding; suitable for bread-making.

Edda.—Autumn wheat, soft, awny; early maturing; high-yielding; suitable for bread-making.

Sabaudia (Hard).—High-yielding; suitable for the manufacture of alimentary pastes.

Fanfulla.—Autumn wheat, soft, awnless; very early maturing; particularly suitable for droughty localities; suitable for bread-making.

Tevere.—Soft, awny; rather early maturing; high-yielding; suitable for bread-making.

Apulia Precoce.—Soft, awny; suitable for bread-making.

Littoria (D).—Soft, awny; high-yielding; very resistant to rust and cold; suitable for bread-making.

Luigi Razza.—Soft, awny; very early maturing; high-yielding; resistant to flattening and cold; suitable for bread-making.

Roma.—Soft, awnless; early maturing; absolutely resistant to rust and cold; suitable for bread-making.

Vettore.—Soft, awnless; high-yielding; resistant to rust; suitable for bread-making.

Cambio.—Autumn wheat, soft, awny; resistant to cold; suitable for bread-making.

Rosso Leonessa.—Soft, awny; resistant to cold; suitable for bread-making.

T. D. (Tiriamo Diritto).—Soft, awnless; early maturing; great resistance to rust; suitable for bread-making.

The Italian durum wheats are mostly of the amber-coloured kernel type and are low in gluten content and somewhat starchy. Common wheats are grown in all the Italian provinces, but the principal production area is the Po Valley. Durum wheat, on the other hand, is grown almost exclusively in Southern Italy and in the islands of Sardinia and Sicily. Sicily produces the largest quantity of durums.

INCREASE IN PRODUCTION

Of late years a remarkable improvement in the wheat yield has been effected in Italy. Prior to the last war only 15.6 bushels were produced per acre. At the beginning of the present decade 21.4 bushels per acre were produced, and to-day the objective of the Italian Government is a total crop of 330,300,000 bushels. During the last two years yields of approximately 309,600,000 bushels have been attained. This policy clearly indicates that the Government proposes not only to meet consumption needs but to provide for a carry-over into the next year and also have sufficient wheat for seeding.

The Corporation for Cereals, which now has complete charge of the grain campaign (the permanent Grain Committee of 1925 having been abolished by the law of June 16, 1939), has fixed wheat prices for the 1939-40 Italian crop at 135 lire for soft wheat and 150 lire for hard wheat per quintal. Converted at the nominal rate of 19 lire to the Canadian dollar, the price for soft wheat per bushel is \$1.93 and for hard wheat \$2.15.

DOMESTIC FLOUR-MILLING

No official figures relative to Italian flour-milling capacity are available, but according to the local trade the annual wheat flour productive capacity is approximately 180,000,000 quintals, or 660,600,000 bushels. There are in Italy about 23,000 flour mills grinding corn and wheat, the number grinding wheat being as follows: 450 with a potential flour-milling capacity of 42,000,000 quintals, 450 with a potential capacity of 18,000,000 quintals, and 12,000 with a potential capacity of 120,000,000 quintals—a total capacity of 180,000,000 quintals or 660,600,000 bushels, as stated above.

It should be noted that mills in the first and second categories grind wheat for account of the trade, while those in the third category grind for account of the farmer. The number of the mills in the first two categories has been increased, while there has been a heavy decrease in the number of mills in the third category. Modern mills are therefore replacing old and antiquated ones. The larger modern mills are generally owned by companies, while the small old mills are frequently family affairs.

Flour mills are located throughout the country, close to producing areas and at ports. The principal plants are found at the ports, such as the famous Stucky mill at Venice. The large mills have well-equipped laboratories, and the methods of manufacturing as well as the equipment are modern. The three leading milling ports are Naples, Genoa, and Venice.

MILLING METHODS

The general milling practices are somewhat different from those of other European countries, as there is considerable milling for semolina production to meet the local demand for alimentary pastes. Thus some mills specialize in this branch of production and, although their equipment is similar to that of the bread-flour mills, they have a more extensive middlings purification system

and a higher proportion of corrugated grinding surface. Many mills, however, produce both bread and semolina flour, while the mills specializing in semolina production generally have a macaroni plant attached to them. The chemical bleaching of flour or semolina is not practised, but semolina is generally artificially coloured by "giallo naftol."

GRADES AND PRICES

The grades and qualities of Italian flour have been determined by a decision of the Cereals Corporation at a meeting held on July 3, 1939. Production of bread flour is limited to one type having the following characteristics: ash content, from 0.70 per cent minimum to 0.78 per cent maximum (dry substance); moisture content, 14 per cent maximum; cellulose, 0.30 per cent maximum; gluten, 9.5 per cent minimum.

For paste manufacture three types of semolina flour are allowed: Semola 0, with moisture content of $15\frac{1}{2}$ per cent maximum and ash content of from 0.81 per cent to 0.90 per cent (dry substance); Semola 1, with a moisture content of $15\frac{1}{2}$ per cent maximum and ash content of from 0.91 per cent to 1 per cent (dry substance); Semola 2, with a moisture content of $15\frac{1}{2}$ per cent maximum and ash content of from 1.21 per cent to 1.30 per cent (dry substance).

Prices have been fixed per quintal in the various Italian provinces for the new single-type bread flour. It varies from \$8.78 to \$9.07 per barrel of 196 pounds, f.o.b. railway, according to the province. These prices shall not be subject to any increase until July 31, 1940. Similarly prices have been fixed for the same period for semolina flours for the manufacture of pastes. These prices, in Canadian currency, for the city of Milan are as follows: semolina extra paste, 8.5 cents per pound; semolina first quality paste, 7.6 cents per pound; semolina ordinary paste, 6.4 cents per pound.

DOMESTIC BAKING AND ALLIED TRADES

The Italian baking industry is organized as a section under the Cereals Corporation, like the millers and wheat-growers, and forms one of the corporations of the Italian Co-operative State. In the past, numerous varieties of breads were made for both the well-to-do and poorer population, but under the law of July 3, 1939, a standard type of bread was introduced for the whole country. However, a low-priced bread called "farinetta," formerly made in certain areas, is still allowed in those districts in which it has been sold, in addition to the new standard type of bread. On the other hand, the production of all old varieties of alimentary pastes, which numbered over one hundred, is still permitted. The bread-making industry, therefore, is limited to one type of bread, but macaroni manufacturers are still allowed to produce the numberless types of wheaten paste which have been consumed from time immemorial in Italy.

Bread bakeries of the large factory or commercial type are confined to the larger cities, but in the country towns and rural parts bread is baked in small family bakeries. Italian bakers produce breads which are crusty and of the hearth-baked type. Italian bread, as compared with French bread, is softer and closer in texture; that is, more spongy. Further, its colour is not so white as that of French bread, since it is baked from clear flours. Prior to the order for one type of bread, there were on sale in the bakeries, bun breads, breads made with oil, etc., but these have disappeared under the new regulations, and the common ingredients of Italian bread to-day is flour, water, yeast, and salt.

FIXED BREAD PRICES

The prices in Milan for the new type of bread are as follows, in Canadian currency: rolls weighing less than 2 ounces, 5.8 cents per pound; from 2 to 5

ounces, 5·6 cents per pound; from 5 to 7 ounces, 5½ cents per pound; from 7 to 17 ounces, 4·9 cents per pound. These prices have been set for a period up to July 31, 1940.

The Italian Department of Corporations has rescinded the order that was in force a few months ago requiring the blending of wheat flour used for bread-making with 10 per cent of maize flour.

COMPETITION WITH OTHER GRAIN PRODUCTS

Wheaten products are more used than potatoes in Italy. Alimentary wheaten pastes are the principal food of the common people, considerably over 100 types being made. Rye bread is not competitive with wheat bread in Italy. Imports of rye are rarely in excess of 1,000,000 bushels annually, and exports are practically nil. The production of rye bread accounts for only 3 per cent of the total bread production.

IMPORT TRADE IN WHEAT

The following tables show Italy's import trade in wheat for the years 1936, 1937, 1938, and the first six months of 1939; these tables give the volume and the principal sources of supply of both soft and hard wheat importation:—

Imports of Soft Wheat into Italy.

	1936	1937	1938	Jan.-June, 1939
		Figures in Bushels		
Total	17,278,433	60,356,233	10,183,956	9,611,143
Argentina	791,582	29,283,811	59,197	64,922
Australia	2,180,274	9,942,067	4,076,966	19,157
Bulgaria	619,936	1,927,961	1,863,002	145,332
Canada	472,879	1,278,444	122,504	2,275
Czecho-Slovakia . . . . .	.....	1,775,105	11,303	.....
France	634,286	.....	.....	.....
Hungary	4,988,668	5,269,349	1,877,205	6,754,048
Iran . . . . .	.....	.....	221,117	.....
Roumania	3,904,109	7,186,300	562,244	2,206,331
Russia . . . . .	.....	.....	110,504	.....
United States	1,854,818	2,383,004	546,830	51,710
Yugoslavia	1,782,335	1,283,362	2,055	365,202
Libya	2,862	.....	4,660	.....

Imports of Hard Wheat into Italy

	1936	1937	1938	Jan.-June, 1939
		Figures in Bushels		
Total	2,356,911	506,937	427,078	513,543
Argentina	412,618	140,267	184,197	4,110
Canada	491,193	.....	.....	.....
Chile	56,298	.....	.....	.....
Turkey . . . . .	.....	229,302	.....	.....
United States	952,585	.....	.....	.....
Libya	418,784	137,258	227,907	509,433

All purchases of wheat are effected by a semi-official organization called "Federazione Italiana dei Consorzi Agrari," with offices in Rome. This body controls all purchases, whether for internal consumption or for re-exportation in the form of flour.

EXPORT TRADE IN WHEAT

The following tables show the small but important exports of wheat from Italy to her colonial possessions. It should be noted that Albania is now included in the Italian customs territory. These tables show the total volumes

exported in 1936, 1937, 1938, and the first six months of 1939, and also the chief destination of shipments:—

Exports of Soft Wheat from Italy

	1936	1937	1938	Jan.-June, 1939
		Figures in Bushels		
Total	10,570	20,846	38,351	48,774
Italian colonies and possessions.. . . .	3,743	12,294	11,524	2,312
Albania.. . . .	....	....	....	46,425

Exports of Hard Wheat from Italy

	1936	1937	1938	Jan.-June, 1939
		Figures in Bushels		
Total	74,978	44,260	13,836	40,553
Albania	26,204	13,983	11,414	36
Greece	46,756	....	....	....
Italian colonies and possessions	2,018	11,414	2,349	40,517

IMPORT TRADE IN FLOUR

Imports of wheat flour into Italy have practically ceased, since the avowed policy of the Italian Government is not only to grow sufficient wheat for the country's needs but also to mill enough flour to meet domestic requirements. The following table shows imports in barrels of 196 pounds, for 1936, 1937, 1938, and the first six months of 1939 from principal sources of supply:—

Imports of Wheat Flour into Italy

	1936	1937	1938	Jan.-June, 1939
		Barrels of 196 Pounds		
Total	9,217	45,634	169,190	20,672
France .. . . .	....	1,834	91,585	443
Hungary.. . . .	9,063	40,627	69,094	20,225

EXPORT TRADE IN FLOUR

Flour exports, although not nearly so important as those of wheat, are worthy of mention. As the following table shows, shipments are principally to Italian colonies and possessions:—

Exports of Wheat Flour from Italy

	1936	1937	1938	Jan.-June, 1939
		Barrels of 196 Pounds		
Total	1,698,827	1,863,325	1,120,429	448,423
Morocco	1,422	....	....	....
Switzerland	55,927	33,586	....	....
United Kingdom	1,277	2,676	166	....
Italian colonies and possessions.. . . .	1,629,270	1,819,829	1,118,524	448,384

GOVERNMENT POLICIES IN RELATION TO WHEAT AND FLOUR

In 1925 the Italian "Battle of the Grain" was introduced to protect Italian gold reserves, which heavy wheat imports were seriously depleting. On July 4, 1925, a permanent wheat committee was formed. This committee became the centre of the campaign. Local official and semi-official agencies, including provincial wheat committees, agricultural workers and employers' syndicates, and, most important of all, agricultural co-operatives and educational bodies were later enlisted in the campaign.

The Italian Government exercises close control over domestic wheat production as well as the importation of both wheat and flour. Farmers are awarded special prizes if their crop yields reach a certain figure, in order to encourage wheat-growers to increase their production as much as possible.

The production of flour is also subject to strict control, and each type must conform to specifications laid down by the Government. Price fixing has been introduced to benefit the farmers.

CUSTOMS DUTIES

The Italian import duty levied on wheat is 45 lire per metric quintal (approximately 69 cents per bushel) and on wheat flour 68·90 lire per metric quintal (approximately \$1.75 per 100 pounds), but the importation of both wheat and flour into Italy is subject to ministerial licence.

The Italian Government maintains up-to-date cereal testing plants near Rome and in Sicily. The equipment of these testing plants includes machinery for making macaroni, and the testing station near Rome includes, besides the laboratory type of experimental mill and bakery, a commercial mill and bakery for wider experimental work.

ORGANIZATION OF THE ITALIAN "BATTLE OF THE GRAIN"

Now that the Co-operative Government has replaced the old Chamber of Deputies in Italy, there has been a reorganization of the administration of the Italian "Battle of the Grain." By a decree of July 4, 1925, a permanent Grain Committee was charged with the management of the wheat campaign. This committee has now been dissolved by a decree of June 16, 1939, and its operations have been transferred to the Cereal Corporation with its various subordinated sections. Since all wheat growers, millers, bakers, etc., are members of this Italian Cereal Corporation, control of the industry has been simplified by this change. The corporation which is now in charge of the organization of the Italian "Battle of the Grain" is showing a keen interest in increasing Italian wheat production. The objective has been set at 90,000,000 quintals annually. In view of this, by a decree of June 16 last, annual grain contests have been introduced for competition among all farmers in Italy, North Africa, and the Italian Aegean archipelago, with prizes amounting to 1,500,000 lire each year.

FUTURE POSSIBILITIES FOR CANADIAN WHEAT AND FLOUR ON THE ITALIAN MARKET

In recent years Italian wheat imports have declined to a point considerably below the pre-war average, and the Italian Government's policy is to render Italy independent of cereal importation. Therefore, on the basis of present production, Italy is unlikely to be a heavy importer of Canadian wheat in the future except in poor crop years. Imports will be limited chiefly to durum wheats and the higher-quality bread wheats. Formerly a considerable quantity of medium-quality wheat was imported into Italy, but this is no longer necessary, as the increase in the domestic production of bread wheats has been particularly strong in the medium-quality grades. Therefore, such wheats as will be imported will have to be of the strong type.

Italy's imports of wheat will in the future mainly come from certain surplus-producing areas in North Africa and Eastern Europe. Canada, therefore, passes into the outer range of possible suppliers to the Italian market. All the competitive advantage is in favour of the nearer fields of production.

In recent years imports of flour into Italy have amounted to only about 1 per cent of the total wheat imports, but even this figure is now being reduced. In order to protect its milling industry, the Italian Government is determined to grind in the domestic mills all flour necessary for consumption in Italy and the Italian Empire. Therefore, the market for flour has become negligible in so far as foreign supplies are concerned.

TRADING WITH BRAZIL: POINTS FOR EXPORTERS

L. S. GLASS, CANADIAN TRADE COMMISSIONER

III. Establishing a Market

In attempting to establish a foreign market for a Canadian product it should first be ascertained whether a market actually exists for this particular type of commodity; secondly, whether the product is competitive with those already on the market; and, thirdly, whether the exporter is in a position to comply with the requirements of local trade practice. Given sufficient information, that is to say, prices, samples, illustrations, and all other information which would normally be given to a salesman in Canada, the Trade Commissioner is in a position to proceed with a preliminary market survey and supply a report thereon.

To determine whether a commodity is in demand is comparatively simple, and exhaustive inquiries are, as a rule, necessary only in the case of highly specialized products in the form of novelties, technical materials, or monopoly goods. Occasionally it is found that demand is restricted to certain special brands, and if these were for any reason removed from the market the import demand for that type of merchandise would cease.

Competition presents many more difficult problems and may be divided into two general categories, namely, local competition and foreign or import competition, which in turn may be subdivided into price, quality, service, and publicity or establishment.

LOCAL COMPETITION

Brazilian producers are assisted by very high customs tariffs, the duty being sometimes even more than the value of the merchandise produced abroad, thus permitting them to easily undersell most of their foreign competitors. Labour in Brazil is cheap and plentiful, although probably not as efficient as in Canada. Purchasing power, as has been mentioned previously, is very low, and cheapness in the case of a majority of the staple articles is of foremost importance and is almost universally considered before quality. Therefore, the argument of a manufacturer that, although it is more expensive than other products, his product is worth the money because of its higher quality does not hold good in Brazil.

Another factor working to the advantage of the local producer results from the low purchasing power of dealers. Usually single orders are small, as many of the distributors have no more than sufficient capital to permit hand-to-mouth buying. As a result local producers with stocks on hand are in a position to cater to this trade. Jobbing houses and even wholesalers are practically non-existent in Brazil.

EXTERNAL COMPETITION

Foreign competition is very keen in Brazil, and all exporters must compete on an equal basis, as practically every country trading with Brazil is accorded the benefit of the minimum rates of the Brazilian customs tariff. Price, special designs, and service form the basis of foreign competition.

Among the countries making the strongest bid for Brazilian trade are the United Kingdom and the United States. United States products are designed and produced specifically to meet the requirements of the Brazilian market. The importance of such a step is easily appreciated, but in one way perhaps its significance is lost to the average exporter who is not familiar with Brazilian trade. The customs tariff is almost entirely made up of specific rates based on weight and, since the duties are often nearly equal to the cost of an article, any reduction in weight results in an important reduction in the landed value

of the article. Very often such cutting of weight, especially in metal goods, presupposes a reduction in quality, but the price factor, which is a primary consideration, compensates to a great extent for the inferior quality. This is especially true in the case of iron and steel goods and similar heavy merchandise.

FACTORS AFFECTING COMPETITION

Service competition has already been referred to in connection with the practice of Brazilian manufacturers accepting the very smallest orders. This service is likewise offered by the more active exporters, especially those in the United States and, to a lesser extent, the United Kingdom. Branch sales houses have been established which carry stocks and supply the buyers direct, and in numerous instances complete Brazilian organizations from factory to sales have been established. Many Canadian firms recognize the necessity of stocks in Brazil, but seem to feel that agents in Brazil should carry stocks for their own account and risk. Such a procedure is feasible when it is the usual practice, but this is not the case in Brazil, and it is becoming increasingly difficult to find agents or importers to whom it is acceptable. Among continental firms the practice has become more common of placing consignment stocks at the disposal of their agents or, if not on actual consignment, on such protracted terms, sometimes running into years, that they might be considered consignment.

Terms represent a second type of service competition, and the exporter should be prepared to grant the same terms as his competitors. It is quite useless, for example, to quote letter-of-credit terms to Brazilian firms. Many continental and some American firms quote in milreis, which during the periods of currency control was of great value to the importer, since the exporter assumed the risk of exchange fluctuations and relieved the importer of the task of arranging exchange cover.

Every market is likely to have its own peculiarities, which may vary to a certain extent with each class of commodity. Where such peculiarities exist the Trade Commissioner or agent can advise the exporter, and it should be the exporter's earnest endeavour to cater to these peculiarities, because he may be quite certain that his competitors are doing so.

In connection with a market survey the question of government business must be considered. Contracting for government business might be termed a separate branch of the Brazilian market and is in many cases catered to by agents who devote their entire time to it. Such business may only be obtained through the medium of agents who are duly registered and accepted by the Purchasing Commission of the Government. Terms must always be extended in the case of government purchases, usually ninety days' sight for the smaller transactions, and they may run to years for those involving large sums.

SALES REPRESENTATION

Of all methods of establishing contact with an agent, making a survey of the market or developing a sales organization, there is none more productive of results than a personal visit by a qualified representative of the exporting firm. This representative should be a person who is or is going to be in charge of all export sales and should be one thoroughly conversant with his product. The plan, when adopted by chief executives of important firms in order to combine business with pleasure, is not as a rule successful, as very often the executive's knowledge is more or less confined to his own branch of the organization and he may lack specific knowledge of production costs, the possibilities of altering the product or policies to meet local requirements, the volume of production which would be available for any given export market, and similar details. It is far better to send a salesman thoroughly experienced in the home

market than a representative who is not in a position to deal with every phase of the situation in the export field.

Whoever is selected for this work should enjoy the full confidence of his firm and be in a position to make decisions on the spot and adapt himself to the problems which will confront him. It is a great handicap to send a man imbued with hard-and-fast factory sales policies. It will probably be difficult to find a suitable representative who can also speak Portuguese, but this, although desirable, is not strictly necessary. The qualifications most valuable for this work in Brazil are shrewd judgment of markets and men, ability to sell ideas, a quiet and courteous manner, perseverance and a pleasing personality. High-pressure methods of salesmanship are not appreciated in Brazil and may lead to disappointments.

It will be of assistance to the exporter's representative if the Trade Commissioner's office is advised well beforehand of his visit and is given full information concerning the goods to be marketed, together with the exporter's general ideas as to sales policy, which, however, should be subject to modification. The exporter's representative should spend from a fortnight to a month divided between Rio and São Paulo, but by advising the Trade Commissioner beforehand, interviews can be arranged for and information collected on prospects, which will save considerable time.

APPOINTING AN AGENT THROUGH THE TRADE COMMISSIONER

Failing a personal visit, it is recommended that the exporter communicate with the Trade Commissioner, who will endeavour to obtain the most satisfactory agents available for the exporter. If the market for a product is limited and does not warrant the expense involved in sending a man to Brazil, it is quite possible to arrange matters by correspondence. If the exporter writes to the Trade Commissioner's office, he can obtain an agent, provided his goods are saleable and sales conditions are competitive. While the Trade Commissioner cannot give an exporter's inquiry the fortnight's or month's undivided attention that his own representative could, he can frequently, through his experience of the market, suggest individuals or firms willing to act as agents. It is imperative, however, that the exporter furnish the Trade Commissioner with full details of his products and, where possible, samples or at least illustrations. An exchange of correspondence between Brazil and Canada requires over a month, so much time will be saved if all information is contained in the first letter.

There are two other possible ways of establishing a contact in Brazil which are, unfortunately, only too frequently resorted to by newcomers to the export field: trade lists and direct canvass by firms or individuals in Brazil. In general the selection of agents, more or less at random, from trade lists is strongly condemned, as is also the appointment of agents as a result of direct application from the person or firm in Brazil. Before such appointments are considered at all seriously, exhaustive inquiries should be made as to the standing of the firm in question. Such information may be obtained through the Trade Commissioner or from other sources previously mentioned. If the firm is known to the Trade Commissioner, time may be saved by communicating with the Department of Trade and Commerce in Ottawa, where a directory of Brazilian importers, compiled by the Trade Commissioner, is available for reference.

SALES ORGANIZATION

There are several possible methods of selling in the Brazilian market, depending on the type of commodity and its potential sales volume, as follows:—

BRANCH SALES OFFICE IN BRAZIL

A branch sales office of a Canadian firm may be established in Brazil in one of three ways: (1) by registering the Canadian company in Brazil; (2) by

organizing a separate Canadian company for Brazilian export, registering that company in Brazil; or (3) by organizing a Brazilian corporation legally independent but controlled by the Canadian company. As a rule, such procedure should not be undertaken unless the potential market seems to justify the expenditure. In the case of an article for large bulk sales or of a manufacturer producing a wide range of products, this probably is the most interesting form of sales organization. The time required to get on a paying basis would, of course, be much longer than that required in the case of simpler types of representation but, providing the essentials of a wide market are present, it will probably be found that in the long run such an organization is the most profitable.

DIRECT FACTORY REPRESENTATIVE

The simpler form of direct representation, which may include the incorporation of a Brazilian firm, is the direct factory representative, whose real purpose is to appoint agents in the various centres and to act as a supervising agent to ensure constant activity on the part of the agents and the maintenance of proper sales methods and distribution. This method has been most successfully tried out by a number of firms, but it is dependent to a great extent on the volume of sales in that it presupposes a certain fixed overhead cost in Brazil chargeable to Brazilian sales.

TRAVELLING SALESMAN

The practice of sending a travelling salesman direct from the factory to take orders on behalf of his principals is not to be recommended. It will probably prove to be a costly procedure, although occasionally it may turn out profitably. The time and cost of travelling, the variation in buying seasons of the importers in different places, etc., tend to make success difficult. The fact that the importer has no one on the spot to whom he can appeal in the case of misunderstandings, damages or anything of that nature, militates against the success of this form of selling. Similarly, once the salesman leaves Brazil, the exporter will have no one to look after his interests. The travelling salesman is of great advantage to the exporter already selling in Brazil. In this case the salesman may be most valuable in bringing about closer relations, not only between the agent and the factory but between the customers and the factory. The knowledge on the part of the Brazilian importer that the foreign manufacturer considers his trade sufficiently important to warrant his sending a representative to see him personally and the personal contact which the importer feels that he has established with the factory is of untold value in sales promotion in Brazil.

MANUFACTURER'S OR COMMISSION AGENT

By far the most common method of representation in Brazil is through the manufacturer's or commission agent. This agent may be an individual or firm with an organization covering the whole of Brazil, or several of these, each being allotted a certain section of the country.

This is the most usual form of representation employed by American firms, whose export problems most correspond to those of Canadian, and is probably the most practical selling medium for Canadian exporters, as the cost of doing business is low. Care must be exercised, however, in choosing an agent and, unfortunately, undesirable agents far outnumber the desirable. The most successful are usually overstocked with agencies; the unsuccessful are not desirable. However, there are always new agents, who may be ex-employees of big importing firms starting in business, and these very often make excellent agents and are generally harder workers than those who have been established for a long time.

In general there are two types: the specialty salesman who confines his activities to the sale of allied products—say, electrical goods or automotive equipment—and the general salesman who will handle anything saleable. The former usually has a small office with a low rental and only two or three office employees and calls on the trade himself. Frequently he has a second line of agencies which may be numerous, but these he only works in his spare time or when especially large contracts offer. If the exporter can interest such an agent in an additional line which fits in well with his active specialties, he may obtain efficient sales service. Business is done more largely on a friendship basis in Brazil than in any other country within the knowledge of the Trade Commissioner, and the salesman who personally visits his customers is the one who gets the business.

The second type of the manufacturer's agent usually employs a certain number of salesmen, depending on the size of his business. The weakness of this type of agent is that his expenses are very high and if he encounters a bad business depression he may be seriously affected financially. If he fails, the exporter has received a bad setback. Furthermore, salesmen employees in Brazil are usually not specially trained and frequently (perhaps unwittingly) misrepresent goods in order to make sales and commissions, as they have not the same interest as their employer in obtaining future business. Furthermore, they have not the same entrée with their clientele as the specialty salesman who cultivates his customers himself. Brazilian salesmen are inclined to move from firm to firm, taking a number of their customers with them, and are not a great asset in building up a business.

The disadvantage of both types of manufacturer's agents is that they usually have slender resources and may be here to-day and gone to-morrow, necessitating the reallothing of the agency, with consequent loss of time and business. They usually cover a limited territory, and the exporter may have to deal with several of them in different cities. They usually work on commission and will not assume *del credere*.

IMPORTING HOUSE

An importing house, as distinguished from the manufacturer's agent, is a firm importing to their own account and reselling under their own name in Brazil. Often importing houses are developed from the manufacturer's agents and may continue to act occasionally as manufacturer's agents. In Brazil they may be said to be the counterpart of the jobber or wholesaler in Canada. There are certain drawbacks in dealing with such firms. Usually they have connections with only a certain part of the trade and rarely do they number other import houses among their customers, whereas a manufacturer's agent may possibly have several importing houses to which he constantly sells. The importing house has no particular interest in selling the products of any one manufacturer. Their only object is to obtain the most saleable articles they can, and will very often "shop" the market before making a purchase, whereas the manufacturer's agent can only sell the products of the factory he represents, and he depends upon what he sells for his livelihood.

INDENT HOUSES

The indent house has practically ceased to exist in Brazil, but there still is a certain amount of business done through indent houses in New York, London, and Paris. In most cases these indent houses are more properly buying agents or even branches or head offices of Brazilian firms. In this respect, however, true indent business is dying out and is now confined almost entirely to firms whose head offices are abroad, as in the case of United Kingdom houses.

EXPORT AGENTS

There seems to be a steady increase in the number of establishments describing themselves as export managers or export agents, who for a given flat rate or perhaps for a percentage on sales, or both, will undertake to market the merchandise of a manufacturer in different parts of the world. Many of such houses are efficient, but it is probable that a great number merely prevent potential exporters from finding a market and thoroughly discourage them. Such firms should not be confused with forwarding agents. The export managers offer the advantage of relieving the manufacturer of the sometimes tedious responsibility in connection with documents and shipping formalities, and sometimes, in the case of the larger, better-established houses, they will even undertake the export risk. However, the exporter would be well advised to make thorough inquiries into the standing and ability of the managers and to determine, as far as possible, exactly what their foreign set-up may be. Many such export managers may claim to have agents in every important centre of one or every country in the world. This is quite often true, but almost as often it will be found that their agents have been appointed with little or no investigation of their selling abilities but rather to make the list of foreign contacts appear as impressive as possible.

COLLECTIVE BRANCH HOUSE

This involves creating a new channel of trade. While it is sometimes difficult of accomplishment owing to the many interests involved and the geographical distribution of the associated factories, it is an entirely feasible means of entering the market, and particularly so in such staple lines as flour, codfish, apples and produce. Co-operative schemes usually work best when organized as separate joint-stock companies; when contributions are made, some firms are dissatisfied with their share of the business. Canadian exports to Brazil are normally sufficiently large to form the basis of such a business, but the buying of non-competing lines in the cheapest market should be permitted. It could be organized as a supervisory branch at low cost, or as an incorporated Brazilian company licensed to buy and sell. The allotted cost through stock investment should not be burdensome to the individual firm interested. There is a real need for such a Canadian sales organization in Brazil. Possibly the same purpose would be served by some existing big Canadian export firm opening a branch office in Brazil, but there is no such branch office of a Canadian export firm at present.

CAPITAL REQUIRED TO DO BUSINESS IN BRAZIL

The belief of many manufacturers that a great deal more capital is required to do business in Brazil than would be necessary in Canada is fallacious. More time is consumed in transportation and often longer terms are requested by importers in Brazil than are customary in Canada, but at the same time there would appear to be little reason for not discounting drafts drawn on reliable Brazilian firms. The Royal Bank of Canada maintains branches in São Paulo, Santos, Rio de Janeiro, and Recife, while British, American, and other foreign banks are well represented. Lately there has been a tendency towards shorter terms of payment, and many types of transactions may now be effected at sixty and thirty days and often cash against documents which even ten years ago would have required at the very least ninety days.

If the exporter wishes to embark on large-scale operations, necessitating the establishment of a direct representative or branch office or factory, the cost of doing business will increase in direct proportion to the size of the undertaking. If, however, he is content to begin on a moderate scale, using the facilities of agents and importers already established in the country, no special outlay of capital would be necessary beyond that required for the domestic market.

TIME REQUIRED TO GET ON A PAYING BASIS

This depends on the product, price, competition, and method of representation. With one of the more expensive forms of representation, it will probably take from one to two years to get on a paying basis with the above conditions favourable, but the final result would probably be more interesting than with such less costly forms of representation as the manufacturer's agent. With the latter form of representation, if the exporter's prices are competitive, it is quite possible that the business will be profitable from the start. If, however, the exporter has to reduce prices to meet the established competition, it might be necessary to work the market for a year or two at cut prices, raising them gradually as the product becomes established. Thus it might take two years to get on a paying basis. However, during this time, even if he sells at prices to meet cost of production, his business may benefit through maintaining activity, keeping personnel together, and lowering overhead on increased production.

ELEMENT OF RISK

Generally speaking the commercial risk in Brazil is no greater than in any other country, providing the exporter takes the usual precautions of investigating the standing of his customers. Many of the international credit associations and banks maintain offices and correspondents in Brazil and are in a position to supply ready information concerning the standing of at least the more important and better-known firms in the country.

Five of the most important banks operating in Brazil report that in their experience the number of drafts refused by drawees is negligible, not more than 20 per cent requiring extensions, and of these only about 15 per cent, about 3 per cent of the total, need to be protested. Brazil has, in common with many other countries, suffered from political upheavals in the past which have had their effect on the risk of doing business with the country. They undermined the confidence of the business community and very often were directly or indirectly the cause of bankruptcy and commercial failures. These occurrences, however, are applicable to individual cases only and should not be taken as a criterion of credit risk in Brazil generally.

Besides commercial, a second risk has appeared since the 1929 depression, namely, that of exchange. This risk developed from the fact that Brazil's supply of exchange of international course was insufficient for general requirements because of the drastic reductions in world prices of Brazilian export products, the returns from which represent Brazil's only source of supply of foreign exchange. Hence on occasion Brazil has been forced to declare a moratorium on commercial payments, with the result that such credits as were outstanding became frozen. The risk inherent in this situation was not and is not the risk of non-payment, but the risk of having capital tied up for many months or even years and the loss of the interest on and the use of that capital.

The violent exchange fluctuations and the uncertainty within Brazil of what exchange measures might be enforced have tended to increase the number of requests for extensions of time drafts and, unless the draft has been discounted, in which case it would generally be paid on maturity, it is generally advisable to accommodate the importer by a reasonable extension, provided adequate interest is paid.

AVAILABILITY OF GOOD CREDIT INFORMATION

There are excellent facilities for obtaining credit information in Brazil. The Royal Bank of Canada, the Bank of London and South America, and the National City Bank have offices in Rio and either agencies or branches in the principal cities. Dun and Bradstreet's also operate in Brazil. Credit files are

maintained by these banks, and copies are sent to their head offices. It is, however, desirable to have credit reports brought up to date frequently and to make inquiries through as many banks as possible, because there is little possible co-operation between banks, and firms in Brazil can have a line of credit in several banks.

The banks, however, have not the same facilities for obtaining complete information concerning the positions of firms as in Canada, since balance sheets certified by independent auditors are not obtainable except in the case of the British, American, and the largest and most modern Brazilian firms. The banks see balance sheets of a sort, but have to judge their value by the reputation of the firm. However, they can form a shrewd opinion of firms who have been their customers for a number of years from the movements of their accounts and the opinions of other firms. They also keep a record of drafts protested and the status of such protests. In certain cases information may be had from credit insurance concerns in the United States. The Department of Trade and Commerce at Ottawa maintains an Importers' Directory of several hundred selected Brazilian firms and will furnish interested Canadian exporters with preliminary information on their credit standing and moral risk (without responsibility).

CREDIT TERMS

Although there has latterly been a tendency for shorter terms to be accepted in Brazil, the greater volume of business is still done at 60 to 90 days' sight or 120 days' date.

These credits seem long to Canadian firms, but it must be realized that Brazilian duties are high and that the agent or importer must, on an average, grant 60 days' credit to his customers. As he must tie up a substantial percentage of the invoice value in duties during this period, to which must be added delays in the Customs, which are often considerable, the average merchant can do little volume of business unless he is granted the above terms. Bank rates are usually very high, and the best firms ordinarily pay 9 per cent per annum and often much higher. In the light of these facts, the credits which have been established by custom do not seem excessive. Drafts at 120 days' date are satisfactory to Brazilian importers and are more advantageous to the exporter than the 90 days' sight draft, because the date of maturity is fixed and all delays are running for the account of the buyer. On time drafts it is usual to allow a small discount for payment at sight. Few firms avail themselves of this concession, but it is a good sales argument on the price.

IV. Marketing and Sales Consolidation

Success or failure in export trade depends upon the sales representative and his ability to attain success depends not only on his sales machinery but upon the co-operation and assistance extended to him by his principals. In the home market the need for co-operation between the production and sales departments of a business is axiomatic. Unfortunately, however, many a would-be exporter is blind to the fact that even greater co-operation is necessary in foreign sales, where local prejudices and customs must be catered to and where a get-together talk with salesman and customers is impossible. Therefore, from the very outset the keynote should be co-operation.

PRICES

The first consideration is price and, although the exporter may be fully convinced that his product is as good as any other, he must remember that it is not he who is the buyer but someone in another country, who may have entirely different ideas as to what constitutes quality and, after all, it is the buyer who decides.

Price therefore, particularly in Brazil, is the prime factor in sales promotion. An agent should be supplied with complete information concerning prices. Many manufacturers are prone to quote f.o.b. place of manufacture, which may be hundreds or thousands of miles away from the seaboard. Such quotations are valueless and merely serve to indicate that the exporter has little idea of export practice. Prices for the export market should be carefully computed. It is, for example, ridiculous to charge to the export market the cost of sales, advertising, and deliveries in Canada. Yet, many firms do so, with the result that they are unable to compete with their more astute competitors. Very often, in order to introduce a new product into the Brazilian market, it may be necessary for the exporter to cut his prices; later, when the article has become established, raising them to place his export sales on a more profitable basis. On the face of it, this cutting of prices may appear to be a loss, but often such loss is offset by increased factory production and reduction on general overhead charges on home sales. Confidence is not developed in an export agent when he reads at the top of a price list "sales tax included in the prices in this list."

Many manufacturers quote prices of packing separately from the prices of the commodities. If a standard pack can be used, it is far better to include such packing charges in the price of the article.

Briefly the points to remember when quoting prices are as follows:—

Quote c.i.f. port of destination or, at least, port of embarkation; supply agent with firm prices; give full details on discounts from list price, if any; advise the agent what his commission is to be and how paid; supply the agent with an adequate number of catalogues, price lists, and illustrations.

Do not quote f.o.b. inland point, except in the case of parcel post shipments, and even in this case inclusive quotations can very often be given; do not send price lists designed purely for the domestic market, in which statements are made or requirements are indicated which are not common to the procedure in export markets; do not fail to make allowance in your prices for sales tax, duty drawbacks, and many other items which enter into the costs for home sales but are not applicable in the case of export sales; do not act on the assumption that the agent knows your product as well as you do, and therefore give him all information possible; do not change prices without giving the agent ample warning; and do not fail to deliver goods as, when, and how ordered.

CO-OPERATION WITH THE AGENT

Under the heading "Prices" a reference has been made to co-operation with the agent. There are, however, one or two further points of considerable importance. Manufacturers should remember that the agent's livelihood depends upon his ability to sell the products of his principal. Therefore, if he is a reliable agent, the exporter may be quite certain that he will not deliberately give out false information. It is in his own interests to advise the manufacturer as accurately as possible on any situation and, undoubtedly, the agent is in a far better position to judge conditions than the manufacturer thousands of miles away. Make use of your agent's knowledge, and do not hesitate to consult with him on export points. The agent then knows that you place confidence in him and is more encouraged to put forth his best efforts.

Extreme care must be taken in the preparation of all documents, and if the agent stipulates that the product must be described in a certain way in invoices, it is because it is so described in Brazil. Failure to observe the agent's instructions will undoubtedly result in a great deal of trouble and usually entails fines to be paid by the exporter to the Brazilian Customs. Where possible use a language with which the agent is familiar. The language in Brazil is Portuguese and not Spanish. If price lists and descriptive literature can be supplied in Portuguese so much the better.

Packing may also be of considerable importance in shipping to Brazil, and if special packing is required, the agent will as a rule give instructions. The importance lies in the fact that many of the customs duties are collected on the gross weight or legal weight of the imported goods; that is to say, all or a part of the packing is dutiable at the same rate as the contents. Therefore, it is often-times advisable to pack in a different way in order to reduce the duties which have to be paid.

In the matter of commissions, particularly in Brazil, it is often wise to be generous, as very often agents have sales expenses which do not and cannot appear as such. It is customary in the case of quotations for government business to quote the agent a price with or without commission, leaving it to the agent to determine the net price to be tendered, as only he is able to determine the actual expenses in connection with the sales.

The final point in the matter of co-operation is the answering of correspondence. Courtesy alone demands prompt replies, but the manufacturer who accords his agent's correspondence the same importance as does the agent himself will be better served. Meticulous care should be taken to answer as clearly as possible all questions submitted by the agent, for although some of them may appear irrelevant to the manufacturer, they are not so to the agent.

ADVERTISING AND PROPAGANDA

Occasionally, even at the time of entering the export market, it may be necessary to consider what policy is to be adopted as regards advertising and publicity, either to place before the buying public a new and heretofore unknown product or to combat established competition. The exporter should decide whether the potential market is of sufficient importance to warrant expenditure on an advertising campaign. If in his opinion eventual returns will not compensate for the expense of a properly organized campaign, certain results may accrue from a reduction in price. Some exporters adopt the practice of setting aside a certain percentage from sales to be used for advertising. Almost invariably this amount is based on the ratio of advertising to sales as determined by head office according to a hard-and-fast policy developed in connection with the domestic market, which, it should be remembered, is an established market. The utter futility of such a procedure is apparent. It is far better to make such an "appropriation" a special introductory discount. In the matter of advertising the agent should be freely consulted, and professional advice may be obtained from well-established advertising firms in Brazil, many of which are branches of American and British houses.

Under advertising and publicity may also be listed the supplying of the agent with an adequate number of catalogues. Business is done in a very leisurely manner in Brazil, and generally the agent must leave his catalogue (often his only one) with a prospect for days or even weeks. Display and window cards are always of great value, particularly if they are in the Portuguese language or if the reading matter is as condensed as possible. In the case of leaflets and similar printed matter it will be found that it is much cheaper to purchase in Brazil, particularly owing to the high duties on printed matter coming into the country. In certain lines free samples are almost universally adopted for first introduction, particularly in the case of pharmaceuticals and certain packaged foods. Generally speaking the approach to the public is similar to that used in the domestic market except that radio is not so widely used.

MARKET EXPANSION

In an effort to expand the market, advertising should be one of the first points to be considered, and once again it should be stressed that, unless sales have attained a certain magnitude, that is, enough to support a reasonably

extensive campaign, sufficient money should be set aside in anticipation of future business rather than to let the present business pay for it.

Assuming that the exporter has but one agent covering the whole of Brazil, it is recommended that a campaign to increase present business should be of the progressive zone type. Let the agent develop to its fullest extent a market in São Paulo before urging him to increase business in Pará. With a gradual build up of this description, increased sales may be consolidated as the campaign progresses.

If the manufacturer is represented by an agent who covers only a part of the territory, expansion may be obtained by the appointment of agents in other centres, or the agent already working may appoint such agents on behalf of the exporter, maintaining an overriding commission and being responsible for sales supervision. This, very often, works out most advantageously. One point which should be stressed is the definite delimitation of sales areas under any one agent. Too often there is a tendency towards "pirating," and it should be made abundantly clear what territory an agent covers and that he will receive all commissions accruing from that territory and none from any other.

CHANGING AGENTS

Agents should be changed in Brazil only as a last resort and after careful investigation, as sometimes it may be found that additional co-operation on the part of the manufacturer, which he would probably give unconsciously to the new agent, would enable the previous one to carry on satisfactorily. Again, constantly changing agents gives the manufacturer a bad name, either as being a difficult firm with which to deal or a firm whose products are not of sufficiently high quality (or low enough in price). Friendship, as has been previously mentioned, goes farther towards forming the basis of business in Brazil than in probably any other country in the world, and this friendship may, if the manufacturer so desires, extend beyond the agent to the factory itself. A good name, fair dealing, and generous treatment are very valuable.

In conclusion it might be said that many of the points developed here may appear onerous. However, the points brought out are more or less those which govern everyday business in Canada, but oftentimes when a manufacturer wishes to enter the export market he feels that he has to adopt a course radically different from his accustomed methods. Such an attitude will only lead to disappointment and trouble. If, on the other hand, the exporter adopts the same attitude toward his export market as toward his home market, he should have little difficulty in developing worthwhile business in the export field.

TRADE OPPORTUNITIES IN MEXICO

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, October 11, 1939.—War in Europe has opened up to Canadian manufacturers and exporters opportunities in Mexico which have hitherto been closed to them because of their inability to compete in price. During the past decade Germany has been a large supplier of this country's requirements, and to a greater extent following the government expropriation of foreign oil companies in March, 1938. Now, with Germany at war and the trade of other European countries adversely affected by the hostilities, Mexican importers in general must look elsewhere for supplies.

As was to be expected, Canada is one of the countries to which importers and merchants in Mexico have turned in the hope that she will be able to supply their requirements. Opportunities are afforded Canadian manufacturers and exporters in a position to supply, and there is presented the further opportunity

of consolidating themselves in this market where heretofore they have found it next to impossible to even gain an entry.

There are no exchange restrictions in Mexico, and it is possible to finance all purchases without difficulty through the banks. Moreover, there are numerous mercantile houses of recognized financial standing, but it is suggested that Canadian exporters obtain information respecting the rating of a firm before accepting orders. It is, however, useless to attempt to do business on the basis of letters of credit. The terms in this market are cash against documents, with sometimes payment in New York.

EXCHANGE CONDITIONS

Since September the peso has improved steadily and is now quoted at approximately 5 to the United States dollar, so that there is no longer any hesitation on the part of Mexican importers to meet foreign commitments because of an unsteady and widely fluctuating exchange. With the Canadian dollar at a discount from the United States dollar, there is a further advantage in favour of Mexican buyers.

IMPORTS FROM GERMANY

Since Germany was one of the country's leading sources of supply, it is of interest to note the principal items which she sold to Mexico in 1937 and 1938 as recorded in Mexican trade statistics. In the former year Mexico's imports from Germany were valued at 98,622,346 Mexican pesos, but in 1938 there was a decrease to 92,702,179 pesos.

The following table shows only the import values for these years of commodities purchased from Germany which are likely to be of interest to Canadian manufacturers and exporters who are in a position to supply. Firms desirous of arranging contacts with Mexican importers are invited to communicate with the Canadian Trade Commissioner, Apartado Num. 126-Bis, Mexico City.

Leading Articles Imported from Germany into Mexico in 1937 and 1938

	1937		1938	
	Quantity Kilos	Value in Pesos	Quantity Kilos	Value in Pesos
Total value of imports . . . . .	.....	98,622,346	.....	92,702,179
Hides, tanned, in the hair	675	79,630	1,402	102,100
Hides, tanned, without hair	77,875	1,908,056	34,772	1,038,147
Leather goods, n.o.p.	776	16,455	766	9,954
Potatoes	271,275	49,315	423,101	100,438
Artificial silk	69,298	355,418	14,342	53,151
Malting barley	285,773	100,022	261,473	85,495
Lard compounds	8,600	15,087	7,158	7,705
Brushes, spiral brushes and painters' brushes	8,106	69,914	4,519	67,704
Brushes, n.o.p.	3,482	47,617	2,756	45,456
Plywood, ordinary	27,827	16,038	9,569	14,223
Plywood, fine quality	29,499	33,314	66,630	80,480
Veneer, fine quality	37,631	92,207	6,338	26,591
Barrels and kegs, wooden tanks, set up or knocked down, weight exceeding 15 kilos and capacity up to 2,500 litres	58,456	62,832	10,218	18,129
Toys of wood, n.o.p.	10,178	38,124	7,460	39,610
Knives of all forms, with wooden handles, n.o.p.	28,766	134,475	20,001	124,999
Articles of wood, hard or common, gilt, silvered or bronze-plated, or inlaid with metal, n.o.p.	2,774	16,293	1,740	15,262
Articles of wood, hard or common, n.o.p., weight of each exceeding 1 kilo	24,186	113,270	13,576	91,605
Alumina (hydrate or oxide of aluminium)	163,552	21,015	70,854	19,156
Aluminium	10,111	15,214	1	4
Portland cement	2,302,359	95,717	2,768,767	120,016

Leading Articles Imported from Germany into Mexico in 1937 and 1938—Con.

	1937		1938	
	Quantity Kilos	Value in Pesos	Quantity Kilos	Value in Pesos
Tiles, n.o.p.	1,843,097	814,313	1,647,887	1,040,437
Pencils, wood-covered	31,833	228,174	33,427	246,470
Sand paper	21,673	31,597	11,812	22,818
Emery cloth	21,665	37,393	15,787	31,137
Pieces of porcelain, n.o.p.	18,901	71,145	14,041	63,835
Buttons of porcelain	4,240	13,857	4,388	15,418
Frames of all kinds for optical glasses	97	22,913	55	15,801
Aluminium, in bars or rods	19,101	35,524	11,606	39,941
Aluminium, in sheets and plates, n.o.p.	224,324	494,783	138,751	540,993
Aluminium sheets adhered on paper	387,312	663,382	382,840	844,061
Aluminium articles, n.o.p.	18,554	107,847	11,224	106,709
Wire and cable of copper or its alloys	25,827	42,608	34,134	53,565
Bars of copper or its alloys, n.o.p.	36,594	49,405	35,633	38,603
Copper sheets, n.o.p.	88,968	116,639	62,403	89,877
Brass, bronze or white metal in sheets	70,607	93,992	67,769	100,922
Piping, of brass, bronze or white metal	12,523	24,210	7,176	13,736
Piping of copper	28,488	38,465	15,603	22,931
Piping of iron or steel, lined with copper or its alloys	65,509	85,191	65,135	96,811
Wire cloth of copper or its alloys	9,380	31,695	7,267	34,745
Zinc sheets, n.o.p.	76,860	54,864	43,298	32,641
Collapsible tubes to be used as containers, of tin, lead or alloys thereof	6,720	23,362	5,422	27,547
Wire, of iron or steel, not tinned or gal- vanized	131,892	85,155	124,262	113,796
Barbed wire of iron or steel	3,369,080	1,032,688	1,072,203	430,662
Wire of iron or steel, tinned or galvan- ized	130,259	66,363	115,329	83,508
Cables of iron or steel, with vegetable fibre core	91,644	62,856	65,121	66,426
Iron and steel in bars of all shapes and sections, n.o.p.	1,351,362	547,843	191,062	186,333
Baling strap of iron or steel, n.o.p.	259,792	180,754	171,528	183,165
Pipes and fittings of iron or steel	31,187,463	7,532,129	8,640,845	2,562,404
Beams of iron or steel	328,717	81,680	195,583	45,948
Nails and brads of iron or steel, n.o.p.	16,433	26,889	8,177	18,882
Screws and rivets of iron or steel, n.o.p.	110,357	155,387	90,119	173,917
Staples of iron or steel, for joining belts	19,626	36,907	21,622	47,648
Hinges of iron or steel	46,947	69,250	38,072	76,222
	Pieces		Pieces	
Tenter hooks of iron or steel	750,627	33,048	564,299	29,908
	Kilos		Kilos	
Keys for shafts, pulleys, etc.	6,920	12,601	4,012	5,490
Nuts of iron or steel	9,309	13,217	6,529	11,629
Wire cloth of iron or steel, n.o.p.	212,741	186,731	99,412	112,430
Wire cloth of iron or steel, covered with oil, cellulose, or isinglass, n.o.p.	91,328	123,905	62,294	122,834
Lamps and lanterns, n.o.p., of iron or steel	223,069	524,227	104,583	333,472
Lamps and lanterns of base metal, silver- plated	1,771	12,958	252	1,865
Lamps of all kinds for miners	8,207	49,626	3,479	30,157
Sleepers of iron or steel	28,467	6,382	434,052	100,335
	Pairs		Pairs	
Hosiery of cotton	471,092	412,360	270,572	296,063
Hosiery of artificial silk	17,483	18,238	9,487	12,975
Hosiery of silk	49,945	98,625	31,285	75,265
Hosiery of silk, with an admixture of other fibres	58,853	112,899	5,319	13,184
	Kilos		Kilos	
Acetyl-salicylic acid	52,159	1,458,797	73,922	3,290,183
Granules, lozenges and pills	53,938	2,446,970	39,920	2,573,394
Pharmaceutical solutions, n.o.p., for injec- tions	32,346	1,320,032	23,320	1,348,601
Drugs of all kinds, n.o.p.	56,803	1,177,978	43,985	1,158,547
Coal-tar colours, powdered or crystallized, n.o.p.	554,782	3,279,243	545,534	4,089,696
Alcoholic beverages	4,579	10,319	7,638	14,371
Rubber footwear, waterproofed	4,515	23,760	5,502	36,890
Shoe findings	15,062	19,052	8,803	13,215
Photographic films, n.o.p., undeveloped	35,945	462,785	22,384	288,651
Movie films, n.o.p., developed	216	15,570	109	6,317
Rubber tubing	16,756	61,095	16,690	64,515
Rubber, in threads, without lining	5,413	26,701	5,459	42,773

	1937		1938	
	Quantity Kilos	Value in Pesos	Quantity Kilos	Value in Pesos
Rubber, in strips, for billiard tables.	3,134	20,934	3,456	27,667
Water bottles.	2,215	14,220	542	5,144
Rubber sponges	2,708	13,757	1,890	10,328
Rubber hand-balls, n.o.p.	21,147	69,969	15,669	72,234
Rubber wearing apparel	12,724	32,723	15,479	54,257
Rubber manufactures, n.o.p.	16,181	133,492	7,181	106,771
Moulded pieces of gutta-percha and the like, unfinished, n.o.p.	10,335	30,881	15,333	65,482
Combs, side-combs, of compositions similar to casein, celluloid, gelatine and gutta- percha	913	11,085	353	6,364
Buttons of compositions similar to casein, celluloid, gelatine, gutta-percha and rub- ber, n.o.p.	2,832	32,583	522	12,794
Newsprint.	11,133,912	2,334,798	11,514,717	3,704,763
White paper, n.o.p.	5,524,639	1,888,826	4,603,360	1,331,129
Paper, aluminium-plated, bronzed, gold- and silver-plated, wholly or in part, n.o.p.	21,598	44,003	10,586	26,818
Cellophane paper	6,193	15,415	5,246	19,531
Cigarette paper	138,064	252,200	181,864	467,398
Stencil paper.	10,935	61,682	9,365	60,601
Carbon paper	4,381	29,319	1,938	16,648
Cuts, photographs, oleographs and paint- ings of all kinds, n.o.p.	27,564	282,739	18,319	224,325
Advertisements, calendars and catalogues, printed, engraved or lithographed	7,499	34,985	7,683	35,999
Envelopes, with or without printing, en- gravings, or lithographed work	9,048	46,545	4,351	22,023
Mechanical pencils, fountain pens and pen- holders	3,243	124,893	2,655	117,068
Machinery plants, partial or complete	292,610	662,336	1,474,347	2,311,661
Machines and apparatus of all kinds, for the generation of electricity	193,131	392,655	382,953	877,084
Steam boilers	43,412	50,759	55,690	64,899
Electric generators and motors	Pieces 6,428	769,339	Pieces 3,870	1,090,183
Electric transformers	Kilos 95,884	159,635	Kilos 96,020	234,046
Turbines of all kinds	123,001	162,100	90,680	209,409
Prime movers, n.o.p., steam, hydraulic, gas or air	1,146,892	1,607,061	776,534	1,359,658
Ploughs of all kinds	Pieces 90	21,501	Pieces 27	10,854
Elevators, for passengers or freight	Kilos 23,937	38,440	Kilos 14,394	138,987
Cranes	15,623	16,729	136,799	183,284
Fibre carding machines	9,113	20,252	24,413	36,522
Machinery for making thread	41,547	80,375	11,705	36,182
Weaving machinery	106,278	135,155	147,756	189,646
Power mills	114,735	141,576	39,287	114,123
Printing presses	13,679	38,022	5,992	23,305
Power printing presses.	74,328	164,567	110,893	317,615
Power machinery, n.o.p.	1,223,067	2,735,767	702,460	2,163,407
Lever or foot-power mills of all kinds	502,196	596,714	166,230	263,153
Lever or foot-power mills n.o.p.	104,720	255,598	68,811	218,121
Radio receivers, with cabinet	Pieces 1,760	232,454	Pieces 1,157	286,533
Electric heaters of all kinds	Kilos 12,886	29,560	Kilos 2,587	18,895
Electric irons	48,521	73,388	61,429	118,835
Electric stoves of all kinds	47,408	65,449	31,801	52,102
Electric toasters of all kinds	8,973	17,211	4,002	10,598
Radio tubes	Pieces 1,318	10,177	Pieces 13,012	34,444
Rosettes for electric installations	Kilos 12,755	15,580	Kilos 10,510	13,816
Switches	66,738	174,286	52,398	191,614
Switchboards	21,921	74,878	13,817	74,924
Devices and accessories, n.o.p. for the installation of electric wires.	43,978	143,974	29,420	138,501
Carbon or graphite electrodes	73,771	70,772	54,760	61,004
Ovens, other than electric, n.o.p.	39,888	70,506	9,670	21,513
Toasters, made of iron, other than elec- tric, n.o.p.	9,299	22,150	112	245

Leading Articles Imported from Germany into Mexico in 1937 and 1938—Con.

	1937		1938	
	Quantity Kilos	Value in Pesos	Quantity Kilos	Value in Pesos
Valves and spigots of all kinds, n.o.p.	58,223	61,150	58,490	77,642
Endless belting, made of vegetable fibres	2,206	44,939	2,349	66,390
Belting, not endless, made of rubber or rubber-impregnated material	32,452	133,022	17,382	79,780
Endless belting of animal fibres	20,154	137,580	11,628	127,708
Reels, bobbins, cones and spindles of wood, for spinning machinery	8,969	22,845	6,851	21,145
Packing of all kinds, n.o.p.	3,652	14,043	3,761	24,253
Machetes of all kinds	203,685	423,782	135,573	410,949
Hand tools of all kinds, n.o.p.	109,683	77,238	69,069	63,639
Whetstones and ironwork therefor	27,891	42,236	17,006	25,727
Circular stones for whetstones	17,815	27,863	12,618	30,574
Hand tools of all kinds, n.o.p.	1,064,374	1,793,202	830,816	1,837,322
Powder, with a basis of pyroxylin or nitro- cellulose	3,939	25,628	.....	.....
Musical instruments, other than auto- matic, stringed, of all kinds, n.o.p. . . .	4,326	38,066	5,042	65,472
Tricycles of all kinds	3,892	12,769	843	3,623
	Pieces		Pieces	
Electric meters	3,049	55,241	1,406	43,001
Pianos of all kinds	17	11,399	51	66,640
Automobiles of all kinds, for passengers	311	578,622	224	467,226
Automobiles of all kinds, for the trans- portation of goods	78	263,336	11	60,658
Automobile chassis, or frames, of all kinds	16	118,514	23	214,004
Wagons and platforms of all kinds, for railways	339	1,426,543	112	122,290
Bicycles of all kinds	27,106	1,354,762	11,460	827,893

TARIFF CHANGES AND TRADE REGULATIONS**United Kingdom****CONTROL OVER AND PURCHASE OF HIDES AND SKINS**

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in London, cables that the Ministry of Supply in the United Kingdom has announced the formation of a Central Purchasing Pool to ensure adequate supplies of undressed cattle hides and skins.

With a view to regulating purchases completely, orders have been made adding to the list of prohibited imports as from October 23: hides and skins (including pieces thereof other than gluestock) of the bovine species, raw, dried, salted, pickled or unhaird, but not further treated. Licence to import except through the pool will be granted only in exceptional cases.

IMPORTS OF MACHINERY PLACED UNDER LICENCE

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of October 24, advises that a new order prohibits the importation into the United Kingdom, except under licence, of practically every class of machinery and parts thereof, including the following of special interest to Canada: agricultural and dairying; air conditioning; glass working; knitting; and separating; also the following among electrical items: heating and cooking apparatus, meters, motors, switch gear, and telephone and telegraph apparatus. Licences are to be required for all goods despatched after October 24.

Ireland**IMPORT QUOTAS ON RUBBER CLOTHING AND LADIES' HEADGEAR**

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that the Government of Ireland announced the import quota of rubber-proofed clothing and component parts for the year beginning November 1, 1939, at 500 articles, being the same as for the previous year.

An order of September 26, 1939, relaxed import quota restriction on ladies' hats and caps so that now only those of felt valued at less than 12s. 9d. each and felt hoods and shapes are subject to restriction.

Australia

TARIFF DECISIONS

Recent Australian tariff decisions as to the classification and rates of duty on articles regarding which question has been raised include the following:—

Saw swages with or without bench attachments, mitre boxes other than those wholly or chiefly of wood, hand lever mortisers of the artisans' portable type, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-laws under Item 415A2).

Stereotyping tools, except beating brushes, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under Item 219C).

Sherardized iron and steel plates and sheets (as a substitute for galvanized iron or steel sheets), 90s. per ton (2,240 pounds) under British preferential tariff, 130s. per ton under general tariff (Item 145).

Airmen's safety belts and safety harness, and passengers' safety belts (or lap straps), conforming to civil aviation requirements, and to be used only in the manufacture or repair of aircraft, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (Item 358B).

Cloths described as face cloths, wash cloths, face washers, or washing squares, and made of any textile material, 22½ per cent ad valorem under British preferential tariff, 47½ per cent ad valorem under general tariff, rates to increase as present Australian exchange depreciation may be lessened (Item 122A).

Hair ornaments consisting of a textile bow attached to a bobby pin, 35 per cent ad valorem under British preferential tariff, 55 per cent ad valorem if from "most favoured nations," 60 per cent ad valorem under general tariff (Item 309D).

When cartons (not being fancy), in the flat or otherwise, are imported in the same ship but not necessarily in the same package as the goods intended to be subsequently placed in such cartons for marketing purposes, the value of the cartons is included in the value of the goods.

Canadian goods under any of the items quoted above, accompanied by the prescribed certificate of origin and shipped in accordance with Australian regulations, are admitted under the British preferential tariff. Goods from all countries outside the British Empire are subject to general tariff rates, except where rates for "most favoured nations" are stated. "Most favoured nations" include Belgium, China, Denmark, France, Germany, Italy, Netherlands, Sweden, Switzerland, and some others—but not Japan or the United States.

New Zealand

IMPORT RESTRICTIONS, FIRST HALF OF 1940

Mr. W. F. Bull, Canadian Trade Commissioner in Auckland, has cabled some particulars of the import restrictions that will be effective during the first six months of 1940 under the Import Control Regulations of December 5, 1938 (see *Commercial Intelligence Journal* No. 1819 of December 10, 1938, page 1015, and No. 1823 of January 7, 1939, page 1).

For the first half of 1940, licences to import goods will be based on the amounts of similar goods imported by the same importer from the same country during the first half of 1938.

REDUCTIONS OF 50 PER CENT

Following are some items of interest to Canadian exporters for which importations into New Zealand from Canada during the first half of 1940 will be reduced 50 per cent from the amounts of similar imports during the correspond-

ing period of 1938. The percentage of reduction at present in effect, i.e., for the second half of 1939, is also given for convenience of comparison:—

Goods	Reduction effective during Second Half of 1939
Unspecified buttons	Nil
Boots and shoes composed of canvas with rubber soles solutioned to the uppers, including goloshes and overshoes	25%
Unspecified rubber gloves	Nil
Clocks, time-registers, and time-detectors	20%
Ink, printing, black, in packages containing not less than 1 cwt., the current domestic value of which does not exceed 7d. per lb.	Nil
Paperhangings	Nil
Bolts, and bolt ends, up to 24 inches in length, including unspecified insulator bolts; nuts, blank or screwed; metal threaded screws, screws for wood; set-screws, engineers' studs, taper pins, and split pins; rivets and washers other than washers wholly of rubber	Nil
Artificers' tools, unspecified, not including brushes or brushware; and the following tools: axes, hatchets, spades, shovels, forks, picks, mattocks, hammers, scythes, sheep-shears, reaping-hooks, scissors (not less than 10 inches in length), butchers' and other cleavers and choppers, hand-saws, saw-blades, machine or hand, bill-hooks, bush-hooks, slashers, and hedge-knives	Nil
Unspecified timber in pieces having a length of not less than 25 feet, and having a minimum cross sectional area of not less than 150 square inches	Nil
Pneumatic tires	55%
Clothes pins	25%

REDUCTIONS OF 100 PER CENT

Imports from Canada of the following goods will be *reduced 100 per cent* from the amounts of such imports during the first half of 1938, i.e., no import licences will be issued:—

Goods	Reduction effective during Second Half of 1939
Infants' and invalids' foods as approved by Minister	Nil
Macaroni, vermicelli, spaghetti, egg-noodles, and similar alimentary pastes, not elsewhere included in the tariff	50%
Soap, cleansing, all kinds; soap-powder, extract of soap, dry soap, soft-soap, liquid soap, soap solutions; washing or cleansing powders, crystals, pastes or liquids, not elsewhere included in the tariff	80%
Gloves, and mittens, other than those composed wholly or principally of rubber or asbestos	33 1/3%
Fur skins, green or sun-dried	Nil
Furs, and other similar skins, dressed or prepared, but not made up in any way	55%
Furs or imitation furs wholly or partly made up into apparel, rugs, or other articles; fur trimmings and imitation fur trimmings	100%
Hairpins, hatpins, safety pins, and toilet pins	Nil
Umbrellas, parasols, and sunshades	50%
Waterproof material in the piece, having within, or upon it, a coating of rubber	Nil
Hide leathers, crust or rough tanned, but undressed	Nil
Kangaroo skins and wallaby skins, crust or rough tanned, but undressed	Nil
Leather, japanned, or enamelled, other than patent leathers; also such other leather specially suited for furniture and upholstery work, as may be approved by the Minister	75%
Leather manufactures not elsewhere included in the tariff	75%
Hot water bags and hot water bottles	60%
Plaster of paris	55%
Fancy goods, and toys; unspecified sporting, gaming, and athletic requisites, including billiard requisites; unspecified fishing-tackle, including artificial flies and other baited hooks; walking-sticks, combs, hair and toilet	Some 55% Some 80%
Photographic cameras	50%
Unspecified photographic goods	50%
Unspecified toilet preparations, and perfumery, including perfumed oil	75%
Adding and computing machines and instruments; accounting and book-keeping machines; cash registering machines, not including recording paper; combined adding and typing machines; typewriters (including covers); unspecified duplicating machines and apparatus; addressing machines	75%
Storage batteries (excluding containers)	100%
Laths, and shingles	Nil

Goods	Reduction
	effective during Second Half of 1939
Rubber (not including sponge rubber) in sheet, strip, cord, or channel, being composed wholly of compounded or vulcanized rubber; also all unspecified articles wholly of rubber	Some 75% Some 80%
Drinking straws	100%

The Trade Commissioner cabled that the restrictions to be imposed on imports of motor vehicles have not yet been decided. For most other goods the restrictions will be the same as at present in effect for the second half of 1939.

Further particulars are being forwarded from New Zealand by mail.

TARIFF DECISIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Racks and extension racks (metal bar or rod with spacers and brackets to hold the insulators) of galvanized iron, peculiar to use with high-voltage regulators, are approved for admission under Item 352, free of duty under British preferential tariff, 20 per cent ad valorem if from “most favoured nations,” and 25 per cent ad valorem plus 22½ per cent of duty if from other foreign countries.

Paper felt for use only in the manufacture of bituminous roofing or building paper, free of ordinary duty (but 3 per cent ad valorem primage duty) from all countries (Item 448).

Bolts, nuts, screws, studs, pins, rivets, washers, springs, thimbles, turnbuckles, ball bearings, and chain belting, specially manufactured for use in flying machines, under regulations that they will be used only on such machines, free of ordinary duty (but 3 per cent ad valorem primage duty) from all countries (Item 448).

Leather hand-grips for use only in the manufacture of golf clubs, tennis racquets, badminton racquets, croquet mallets, and similar sporting requisites, free of ordinary duty (but 3 per cent ad valorem primage duty) under British preferential tariff. 20 per cent ad valorem plus 22½ per cent of duty under general tariff (Item 448).

Canadian goods under any of the items quoted above, accompanied by the prescribed certificate of origin and shipped in accordance with New Zealand regulations, are admitted under the British preferential tariff. “Most favoured nations” are: Argentina, Belgium, Brazil, China, Egypt, Finland, Germany, Greece, Hungary, Italy, Japan, Netherlands, Norway, Spain, Sweden, and Switzerland.

TARIFF AMENDMENTS

Telegraphic information has been received concerning increases in the customs and excise tariffs of New Zealand that became effective on September 26.

Customs duties on tobacco in all forms (except tobacco for sheepwash and insecticides) are increased by 25 per cent of the former rates, and on ale and beer, potable spirits, and wines are increased by 15 per cent of the former rates. These increases apply both to British preferential and general tariffs.

Excise duties on manufactured tobacco, cigars, snuff, and cigarettes are increased by 25 per cent, and there is also an increase in the excise on beer.

Finland

FLOUR-MILLING REGULATIONS

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, reports under date of October 4 that on August 31, 1939, the Finnish cabinet on the advice of the Department of Agriculture fixed the milling percentage for Finnish wheat and the mixing percentage for Finnish wheat flour at 85 per cent. This regula-

tion has now been superseded by that of September 9 which decrees that the milling percentage for Finnish wheat and the mixing percentage for Finnish wheat flour shall, from September 15, 1939, until further order, be fixed at 50 per cent.

Greece

MINIMUM TARIFF ACCORDED TO IMPORTED WHEAT

The minimum tariff of Greece, applicable to treaty countries, has been extended as regards wheat imported from non-treaty countries (including Canada) by decree of June 7, 1939. The minimum tariff is 90 paper drachmae per 100 kilos subject to the general surcharge of 75 per cent or an equivalent in all of about 35 cents per bushel in Canadian currency. Previous Greek decrees issued from time to time had permitted entry of specified quantities of Canadian wheat at the minimum tariff. The maximum rate is 112.5 paper drachmae per 100 kilos and is also subject to a tenfold increase plus the usual surcharge, making a total of \$4.35 per bushel.

The importation of wheat into Greece is subject to approval by the Superior Committee of Economic Defence and on special authorization of the Minister of Agriculture and the Bank of Greece.

Cuba

MINIMUM TARIFF ON CODFISH AND BEANS

With reference to the notice in *Commercial Intelligence Journal* No. 1839 (April 29, 1939), page 643, regarding the allocation of Cuban tariffs for 1939 and the application of a surcharge of 25 per cent to most imports from Canada, Mr. C. S. Bissett, Canadian Trade Commissioner in Havana, cables that, effective October 2, 1939, for the ensuing four months the minimum tariff without surcharge has been renewed as regards codfish and beans, irrespective of country of origin. Consequently, these products, when of Canadian origin, will continue to enter under the minimum tariff of Cuba without the 25 per cent surcharge.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Egypt

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, writes under date October 2 that according to a decree-law, dated September 25 and effective September 28, dealings in all foreign exchange, except sterling, other than for ordinary commercial transactions and for bona fide private purposes are prohibited in Egypt. Both cash and forward transactions are banned by the decree. The ban will not, however, extend to operations carried out in fulfilment of contracts signed before September 3. Operations authorized under the decree shall be carried out only by certain establishments specified by the Ministry of Finance (National Bank of Egypt, Banque Misr, Crédit Lyonnais, Comptoir National d'Escompte de Paris, Barclay's Bank, Banque Ottomane, according to a decree dated September 27), and such establishments shall be supplied with relevant documents or signed statements by the persons wishing to effect the operations.

It follows from the above that exchange will continue to be readily available for ordinary business transactions with Canada.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 23, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 23, 1939, and for the week ending Monday, October 16, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 16	Nominal Quotations in Montreal Week ending Oct. 23	Official Bank Rate
Belgium	Belga	.1001	\$.1856	\$.1862	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2143	.2142	5½
Finland	Markka	.0252	.0207	.0211	4
France	Franc	.0392	.0252	.0252	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	3
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0082	.0081	6
Holland	Guilder	.4020	.5893	.5892	3
Hungary	Pengo	.1749	.3275	.3275	4
Italy	Lira	.0526	.0560	.0561	4½
Yugoslavia	Dinar	.0176	.0259	.0259	5
Norway	Krone	.2680	.2521	.2521	4½
Portugal	Escudo	.0442	.0406	.0404	4-4½
Roumania	Leu	.0060	.0081	.0084	3½
Spain	Peseta	.1930	.1129	.1129	5
Sweden	Krona	.2680	.2641	.2642	2½
Switzerland	Franc	.1930	.2490	.2489	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2189	.2276	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0252	.0252	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0252	.0252	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso	.4245	.....	.....	—
	Unofficial		.2603	.2609	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Unofficial		.0561	.0563	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	—
	Unofficial		.0444	.0444	—
Colombia	Peso	.9733	.6347	.6343	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.5847	.....	—
	Unofficial		.4340	.....	—
South Africa	Pound	4.8666	4.4700	4.4700	3½
Egypt	Pound (100 Piastres)	4.9431	4.5510	4.5620	—
China (Shanghai)	Dollar	.....	.0822	.0822	—
Hongkong	Dollar	.....	.2774	.2775	—
India	Rupee	.3650	.3371	.3365	3
Japan	Yen	.4985	.2615	.2611	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	4.0740	4.0740	—
Straits Settlements	Dollar	.5678	.5216	.5218	—
Australia	Pound	4.8666	3.57½	3.57½	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Sterling free rates, which fluctuated narrowly at New York during the week ended October 23, finished 1½ cent higher at \$4.01½. Canadian funds likewise displayed a stronger tone, closing up ¼ cent at 89½ cents. London authorities indicated that a closer check would be kept on exchange transactions when it was reported that applications for sales of sterling at the official rate would be examined more carefully from now on. At Montreal, French francs stiffened slightly from an opening level of 2.51 to 2.52 cents on October 23. Neutral European currencies showed relatively minor changes. Belgian belgas moved up 6 points to 18.62 cents between October 16 and 23, while Dutch florins eased 1 point to 58.92 cents. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board remained unchanged at \$4.43-\$4.47 for sterling and \$1.10-\$1.11 for United States funds.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Hoisery, Silk, Silk and Rayon, Rayon.....	453	Glasgow, Scotland.....	Agency.
Buttons, Cheap.....	454	Glasgow, Scotland.....	Agency.
Buckles, Black Japanned Iron...	455	Glasgow, Scotland.....	Agency.
Leathers for Manufacture of Gloves.....	456	Bideford, Devon, England.	Purchase.
Electrical Tape, White Cotton...	457	Melbourne, Australia.....	Purchase and Agency.
Batteries, Dry for Flashlights and Bells.....	458	Bristol, England.....	Purchase.
Bicycle Parts and Accessories...	459	Bristol, England.....	Purchase.
Tires and Inner Tubes for Bicycles.....	460	Bristol, England.....	Purchase.
Brass Cased Tubing.....	461	Melbourne, Australia.....	Purchase and Agency.
Wooden Stillages for Tinplates...	462	Swansea, Wales.....	Purchase.
Lumber.....	463	Lima, Peru.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN. Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché. Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW. Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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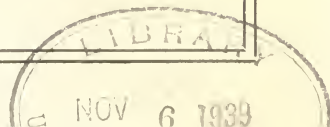
Ottawa, November 4, 1939

No. 1866



Canadian Flour being delivered from Importer's Warehouse
to Bakery at Batavia, Java

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Ottawa, November 4, 1939

No. 1866

POINTS FOR EXPORTERS TO NETHERLANDS INDIA¹

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

I

Singapore, September 15, 1939.—Although still referred to in most English-speaking countries as the "Dutch East Indies," the approved official name of Holland's Empire in the Far East is Netherlands India or the Netherlands Indies. Contrary to popular belief, these possessions are not merely a group of romantic tropical isles but well-organized producing areas for some of the world's essential commodities and an important market for the goods of other countries.

GEOGRAPHY

The islands of Netherlands India are situated between 6° north and 11° south latitude—north of Australia, south of Singapore, southeast of India, and southwest of the Philippines. The total area of the islands is about 734,000 square miles, slightly less than the combined areas of the provinces of Manitoba, Saskatchewan, and Alberta. They extend from east to west a distance of 3,000 miles and from north to south for 1,200 miles. The fact that great distances separate the various parts of Netherlands India is one that is frequently overlooked by Canadian exporters.

The most important islands in the group are Java (with which, for administrative purposes, the small adjacent island of Madura is included) with an area of 50,752 square miles, equal to the combined areas of the three Maritime Provinces; Sumatra, 163,145 square miles; Dutch Borneo (part of Borneo is British controlled), 206,819 square miles; and the Celebes, 48,060 square miles. Other islands in the group are Bali, Lombok, Sumbawa, Flores, part of Timor (a portion of this island is Portuguese), the Moluccas, part of New Guinea (a portion is under Australian mandate), and a number of smaller islands. Hitherto Java has been the most populous and highly developed of the archipelago, but more attention is now being given by the Government to the other large islands, especially Borneo and Sumatra, which are known to possess extensive mineral and oil resources.

The principal islands of Netherlands India are traversed by central mountain ranges with many peaks, the highest of which, in Java, is almost 12,000 feet, graduating to hill districts and extensive lowlands and coastal plains. Several of the islands are slightly volcanic and Java is intensely so.

For statistical and administrative purposes Netherlands India is divided into (a) Java and Madura and (b) the Outer Possessions.

¹ This is one of a series of three reports covering Middle Asia. Copies of the others—"Points for Exporters to British Malaya" and "Points for Exporters to Siam"—may be obtained by interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa.

CLIMATE

Netherlands India is in the tropical zone, and the climate of any one place is characterized by monotonous uniformity, high temperatures and humidity, abundant rainfall, and gentle winds. But at the same time temperatures which usually approach the limit of human endurance on the coast, where the important cities are located, may now be escaped by a journey of only a few hours to the hills. While the climate of the whole archipelago is influenced by the trade winds, due to the extent of the area covered by the islands, the rainfall varies considerably from place to place. Generally speaking, however, the wet monsoon is from November to April and the dry monsoon from May to October. The daytime shade temperature in Batavia, Java, averages about 87° the year round; it occasionally reaches 95° during the changes of the monsoon. This may be considered as typical of the coastal areas where, as stated previously, most of the commercial centres are located. These temperatures are accompanied by a relative humidity never less than 75 per cent and frequently above 90 per cent, a condition that adds greatly to the enervating effects of the climate on Europeans who, in order to maintain their health, should have a change to a more bracing climate at regular intervals. Rainfall in Batavia averages about 75 inches per annum, but it is not evenly distributed; in the months December to March inclusive it frequently amounts to over 50 inches.

To contend with such constant heat and humidity, many commodities must be specially processed or packed to preserve them and their containers, not only from deterioration by mould or mildew but also from insect infestation.

POPULATION

The 1930 census showed the total population of Netherlands India as 60,730,000; present estimates place the total in the neighbourhood of at least 65,000,000. Of this number over 42,000,000 are in Java and Madura, 8,255,000 in Sumatra, 4,230,000 in Celebes, 2,200,000 in Dutch Borneo, and 4,360,000 in the rest of the archipelago.

PURCHASING POWER

The large population totals should not be taken at their face value; they require some qualification in order to arrive at an understanding of the purchasing power of the people. There are only some 250,000 Europeans and Eurasians (135,000 males, 115,000 females), of whom about 200,000 are in Java; 1,250,000 Chinese (750,000 males, 500,000 females), of whom less than half are in Java; 120,000 (64,000 males and 56,000 females) Arabs, Japanese, British Indians, and other foreign Asiatics, of whom 53,000 are in Java. The large remainder of the population, amounting to over 60,000,000, consists of natives, of whom over 41,000,000 are concentrated on the island of Java, making it one of the most densely populated areas in the world. While in many parts of the Indies, and especially in Java, the natives maintain a fairly high standard of civilization, culture, and industry, their actual cash earnings are very small. There are sections where the natives produce goods or crops which find a sale in international markets—one example of this being the native rubber producers in Sumatra—but these areas are exceptional. The great majority of the native population are occupied with agriculture, fishing, and similar primary industries which provide an ample food supply but very little in the way of cash returns.

Millions of natives are employed on European estates and in other forms of industry, but the average daily wage of the native coolie labourer on a Java sugar estate is less than 15 cents Canadian for men and about 12 cents for women. Estate labour in Sumatra and the other Outer Possessions consists largely of Javanese natives, transported for that purpose and consequently com-

manding higher pay. A relatively small number of natives are employed as domestic servants, office clerks, or labour foremen and are paid the equivalent of from \$4 to \$20 a month. But all these groups are not representative. Most of the native people are occupied with producing their own needs and only occasionally have an opportunity to handle money from the sale of their produce or labour.

Thus, the vast majority of the natives can afford to buy only the simplest of necessities, essential cotton clothing, matches, lamp oil, etc., and, occasionally, luxuries such as canned fish, canned milk, low-grade tobacco, and cheap flash-lights.



Map of Middle Asia and Adjoining Countries

DEMAND FOR IMPORTED GOODS

Notwithstanding the low purchasing power of the natives, by reason of their preponderance in the population totals and their improvident habits the aggregate of native purchasing power constitutes the principal demand for imported goods. While many articles were originally imported to satisfy the wants of European residents, they have, when reduced in price and/or quality, been steadily adopted by the native population. For example, the native consump-

tion of imported fish, flour, biscuits, and meats is estimated to be respectively 95, 80, 60, and 30 per cent of the total imports of each item. However, as the individual purchasing power of the natives is so low, it follows that while their demand represents the bulk of the import trade in sundry goods, the emphasis must be upon cheapness rather than quality, durability, or service. This is the most important point to keep in mind when considering the sale of any commodity that is intended to appeal to the native population.

The Europeans, Eurasians, and the ruling-class natives—wealthier Chinese and other foreign Orientals who are to some degree westernized—constitute the market for quality articles. While it is true that the Europeans and the well-to-do classes of the other groups maintain a high standard of living, the total demand for most quality articles would probably be only slightly in excess of that of the city of Vancouver.

LANGUAGES

While the official language is Dutch, most Netherlands India firms having dealings with foreign countries can correspond in English or German. Malay is the *lingua franca* for the everyday domestic or business contacts of life, and a knowledge of this language is essential to the resident or visitor who desires to get about with a minimum of difficulty.

PORTS AND CITIES

The principal cities of Netherlands India are in Java, e.g. Batavia (native and Asiatic population 500,000, European 40,000), the capital and principal commercial city of the Indies: Soerabaya (324,000 and 26,000); and Semarang (207,000 and 13,000). These cities are also the main ports of entry for imported goods. Of lesser importance is the city of Cheribon (53,500 and 1,700). Inland in Java there are several centres of growing importance, e.g. Bandoeng (150,000 and 20,000), a hill city where some of the government departments are located and a favourite place for retirement; Djocja (134,000 and 6,000); Surakarta (162,750 and 3,250); and Malang (82,000 and 8,000), another hill city similar to Bandoeng.

In Sumatra the main city and port is Medan (75,500 and 4,500), on the northeast coast. Other Sumatra ports of lesser importance are Padang (51,700 and 1,300), on the west coast; and Palembang (107,000 and 3,000), the most important oil centre in Netherlands India.

The only city and port of importance in the Celebes is Macassar (81,500 and 3,500).

In Dutch Borneo the principal cities and ports are Bandjermasin (65,000 and 1,000), Pontianak (45,400 and 600), and Balikpapan (30,000 and 1,000), the latter being an important oil-producing centre.

Canadian exporters will usually be concerned only with the four main ports—Batavia, Soerabaya, and Semarang in Java, and Medan in North Sumatra. Distribution to the inland cities and the outlying islands is effected by the importers who maintain offices at these ports.

LOCAL TRANSPORTATION AND COMMUNICATIONS

The improvement in motor transport facilities in Netherlands India is an indication of the modern development of the country. There are some 40,000 miles of roads, of which 7,200 miles are asphalted, 29,000 miles hard surfaced, and the balance unsurfaced. Over 16,000 miles of the total and 5,000 miles of the asphalted roads are in Java. The island is traversed by a splendid highway system. There is also a fine highway running almost the length of Sumatra. Except around the main centres of population, there are few roads in Borneo,

the Celebes, or the other Outer Possessions. There are about 85,000 motor vehicles in use, of which 48,000 are passenger cars, 8,900 buses, 12,000 trucks, 1,800 three-wheelers, and 13,000 motor cycles. Of the total, some 55,000 motor vehicles are in the island of Java.

The bicycle is a popular form of transport for Europeans as well as natives and others, and there are estimated to be several million bicycles in Java alone.

Java is well served with modern railways, the total mileage being 3,250, of which 1,800 miles belong to the State Railways and the balance to private companies. Sumatra has a total of 1,200 miles of railways, of which less than 400 miles are government-owned, the rest being operated by private companies. The only other railway lines in Netherlands India are in the Celebes, where there are some 30 miles of government lines.

There are eight local shipping companies in Netherlands India. One of these, the K.P.M. (Royal Packet Line), with 135 ships totalling some 800,000 tons, has a monopoly of the inter-island and inter-port traffic. The others are small lines, for the most part operated by Chinese, plying between outlying Netherlands India ports and Singapore.

Few parts of the world enjoy better air communications for mail, freight, and passengers than those that connect the important centres of Netherlands India and ply on a thrice-weekly schedule between the Indies and Holland.

The state-owned telephone and telegraph services are most efficient. The use of the telegraph, telephone, or radio telephone is commonplace throughout Netherlands India and for communicating with the rest of the world.

CURRENCY

The currency of Netherlands India is the same as that of Holland, the unit being the guilder or florin. Until the United Kingdom abandoned the gold standard in 1931, the exchange value of the guilder was 12 to the pound sterling or one guilder equalled 40·5 cents Canadian. After a period of uncertainty, during which the guilder rose to about 7·50 to the pound and one guilder equalled 68 cents Canadian, Holland also left the gold standard in September, 1936, and a new value was soon established. This value has remained fairly steady, one guilder being equal to about 55 cents Canadian.

The Java Bank issues all legal currency notes in Netherlands India, valued from fl.5 to fl.1,000. The Government issues notes for lower values than fl.5 and all subsidiary silver and copper coins.

There are at present no foreign exchange restrictions or regulations.

BANKING AND LOCAL TRADE ORGANIZATIONS

In addition to the Java Bank, mentioned in the preceding section, there are three other Dutch banks, two British, two Japanese, and one Chinese. The British banks are as a rule the correspondents for Canadian banks, but it is not uncommon to send Canadian bills for collection through one of the Dutch banks. In this exporters may follow the practice of their Canadian bank but they should also be guided by instructions from the buyer, who may have covered his purchases forward in his own bank. Documents sent to another bank may, because of exchange fluctuations, involve him in loss. Each of the large British and Dutch banks maintains a branch or agency in the important commercial centres.

In all cities of any size there is a general Chamber of Commerce (Handelsvereniging), and in the larger ports there are separate Chinese chambers.

WEIGHTS AND MEASURES

The metric system is in use throughout Netherlands India, but there are also a great many local units, of which the following are among the more important:—

- 1 bouw = 0·7096 hectare = 1·7537 acre.
- 1 kati = 0·6176 kilogram = 1·36 pound.
- 100 katis = 1 picul = 61·76 kilograms = 136 pounds.
- 1 Dutch pound = 0·5 kilogram = 1·1 English pound.
- 1 ell = 27 inches.

In general the metric system is used in the import and export trade and for official statistics, and the local units in dealing with the natives or with Chinese merchants. It should be noted, however, that an effort is being made to abolish the use of the local units, which in time will doubtless give place to the metric system entirely.

INDUSTRIES

Agriculture is Netherlands India's main industry, although in recent years there has been a marked development in domestic manufacture, especially in Java, to which reference is made in later sections of this report under the headings "Manufacturing" and "Government Commercial Policy."

AGRICULTURE

Netherlands India's agriculture comprises (a) native production and (b) the cultivation of large areas by European estate companies. A small part of the agricultural lands of Java and of some of the other islands is owned outright by European companies, but generally speaking it is now no longer possible to buy land from the natives. It can only be leased for limited periods, thus ensuring the native's title as well as proper crop rotation. While the native production is primarily directed toward the supply of foodstuffs for domestic consumption (Java is still completely self-sufficient in this respect), the percentage of native-grown crops in the total agricultural exports has grown steadily. However, the large European enterprises contribute the main share of the country's agricultural exports, and the Government's policy is, therefore, twofold: (1) the protection of the natives' land titles against exploitation and (2) the encouragement of large-scale estate agriculture.

The principal native crops are rice, grown for the most part on elaborately irrigated lands; maize; tapioca; potatoes; sweet potatoes; peanuts; soya beans; tobacco; coconuts; kapok; tropical fruits of all kinds; spices; cinnamon; and, mainly in Sumatra, rubber. The European estates produce sugar, rubber, gutta-percha, tobacco, coffee, tea, cinchona (quinine), palm oil, sisal, and essential oils such as citronella.

LIVE STOCK

The rearing of such draught animals as the water buffalo and the Indian cow for use in native agriculture is of greater importance in Netherlands India than the production of meat and meat products. Only in Bali and Madura are cattle raised for slaughtering purposes, and there is a large trade in live cattle from these islands to Java as well as to neighbouring countries, mainly British Malaya.

Goat breeding is conducted on a large scale both for milk and meat supply. Sheep raising is of much less importance and is carried on in the highlands only for slaughtering purposes.

Hog breeding is taboo in most parts of Netherlands India, where the Mohammedan religion is practised, but in Bali the industry is of considerable importance, and there is a large export of live hogs to British Malaya from this island.

Although fraught with great difficulties, due to the climate, there are small dairies near most of the larger towns. Near the city of Bandoeng, Java, there are some fifty of these small dairying establishments, and in recent years milk production in this area has been sufficient to permit of a small-scale manufacture of butter and cheese. The dairying industry is almost entirely in the hands of Europeans. Dutch and Australian pure-bred cattle crossed with indigenous stock are the most favoured.

Poultry is raised by the natives all over Netherlands India. Although the stock is for the most part "scrubby," it provides an ample supply of meat and small eggs.

The breeding of the sturdy little native ponies for draught purposes is of considerable importance. Horses for the army and racing are imported from Australia.

FISHERIES

Along all the coastal areas sea fishing is carried on by the natives as a supplement to agriculture. Inland, most districts have a small, freshwater, artificial lake or pond where fish are reared for local supply. In certain areas the sea fisheries have become an important full-time occupation; on the east coast of Sumatra, Bagan SiApi-Api is one of the world's most important fishing ports. However, Netherlands India, and Java in particular, is far from being self-sufficient as far as fish supplies are concerned, and there is a large import of cheap canned fish from Japan, the United States, and Canada, and of dried salt fish from Siam, Indo-China, and other neighbouring countries. The centre of the Middle Asia salt fish trade, even for Netherlands India, is Singapore in British Malaya.

FORESTRY

Although Java is so densely populated, some 20 per cent of the total area is still in government teak forests and perpetual forest reserves, and under 3 per cent in commercial areas. There is, therefore, a good supply of wood for timber, firewood, and charcoal, having in mind that for the construction of native dwellings, bamboo and woven palm are the principal materials used, and that the firewood supply is greatly augmented by prunings from tea and rubber estates.

Almost 70 per cent of the total area of the other islands is still covered by virgin forests, providing an enormous supply of wood for all purposes, but chiefly for construction. For example, Borneo produces iron wood, a material which has a variety of uses in the building industry, including shingles of great durability.

MINING

Netherlands India is known to possess great mineral wealth, although a large part of it has not yet been exploited commercially. Petroleum products, produced mainly in Java, Sumatra, and Borneo, are now Netherlands India's second largest export, and she is the fifth largest oil-producing country. Java possesses manganese, sulphur, gold, and silver; Sumatra has coal, gold, silver, iron, manganese, lead, and zinc; the islands of Banka and Billiton near Singapore are large producers of tin; Bintang, in the same group near Singapore, produces bauxite; Borneo is rich in coal and iron; in the Celebes iron ore, nickel, gold, and copper have been found. Only oil, tin, bauxite, and coal have been exploited on a large scale for the reason that so much of the other mineral wealth is located in the outlying islands where labour is relatively scarce and transport difficult.

MANUFACTURING

As in the case of agriculture, a distinction can be made between those factories that are native- or Chinese-owned and those that are operated by Euro-

peans. The native manufactories are with few exceptions domestic industries producing articles for home needs, and then only when the crops do not require full attention. Native industries produce clothing (Java batik is famed for its colourful design and artistry); foodstuffs; woven palms and bamboo for the construction of dwellings; household furniture; silver, gold, and brass arts and craft; and woven straw hats. The last-mentioned provides part-time employment in thousands of native homes, and exports have risen in recent years to important figures.

Chinese operate most of the many small factories for the manufacture of bricks and tiles, fireworks, and soap, and for processing native produce such as rice and tapioca.

The European industries were developed mainly to process estate produce such as sugar, sisal and hemp, coconut and palm oil, tea, rubber, coffee, citronella oil, and quinine. Most of such factories are owned by the companies that operate the large-scale estates. Other industries of importance are in connection with mining, such as oil refineries and distilleries, tin ore crushers and refineries.

Following is a list of some of the more important industries, mainly European-owned, with the number of each type of plant in parentheses: engineering workshops and foundries (58)—some are owned by Chinese; repair shops, including motor car repairs (150)—some are Chinese-owned; workshops for railway and tram companies (48); printing shops (218)—some are Chinese-owned; cement and cement tile factories (19), principally Chinese; sugar factories (154, of which about 70 are in operation at the present time); rice mills (865), principally Chinese; tea factories (270); coffee factories (120); coffee and rubber factories combined (245); rubber factories (408); tapioca mills (123), principally Chinese; fibre processors (24); sawmills (163), Chinese are largely interested; kapok processors (88); mineral-water factories (135); paper factories (3); vegetable-oil crushers (86); essential-oil extractors (120); cigar and cigarette factories (23); weaving mills (33); ice factories (177); oxygen factories (4); miscellaneous (1,250).

The numbers of factories given above include those of all sizes. The majority are as yet relatively small, but the increasing industrialization of Java is a factor of growing importance and one which will undoubtedly have an effect upon the character of the import trade with the creation of a greater demand for industrial raw materials and machinery. For example, motor-car battery factories in Soerabaya and a dry-cell battery factory at Batavia may be expected in time to reduce imports of the manufactured articles to negligible quantities. Local breweries now control most of the beer trade. The domestic paper mills, using rice straw as their raw material, manufacture a great many of the qualities in demand exclusive of newsprint. Another phase of this development is the establishment of branch factories by British, United States, and continental companies for the manufacture or assembly of motor cars, tires, flashlight batteries, soap, textiles, etc. The Government's policy in this connection is discussed in a later section.

The manufacture of salt and opium are government monopolies.

WATER, ELECTRICITY, AND GAS

All sizable centres of Netherlands India now enjoy hygienic water supplies which are metered to the consumers.

The water-power resources are under strict government control. Government plants develop a certain amount of hydro-electric power for public utilities and government factories, but the greater portion is developed by private companies who supplement hydro-electric power with steam and Diesel generation. There are eight such companies in Netherlands India, three of which, in Java,

are important. The total number of electric power consumers in Netherlands India in 1937 was 235,000, of which 185,000 were in Java, and the total consumption of power was over 280,000,000 kilowatt hours. In most cases electrical equipment and appliances are sold by these power companies direct to consumers on hire-purchase plans. Even if the companies are not interested in doing such business, they have showrooms for the display of equipment handled by import firms.

Artificial gas for cooking is available only in the main centres. There is a plentiful supply of natural gas for the relatively small populations near the oil-producing areas, but because of the insular character of the country this supply is not available to the important centres of population. Gas appliances are sold by the utility companies.

Municipal water supplies, electricity, and gas are at present beyond the purchasing power of most of the native population. They obtain their water from wells, for lighting they use vegetable or mineral oil flares or cheap kerosene lamps, and wood or charcoal is used for cooking. Gas and electricity are expensive and therefore a luxury except for the Europeans and the few well-to-do Chinese and other foreign Asiatics.

FOREIGN TRADE

Although prices for certain Netherlands Indies export products were low in 1937, that year may be considered as being more truly representative than 1938 when a decided setback was experienced. Total trade in 1937 was valued at Canadian \$795,850,000, of which \$273,900,000 represented imports and \$521,950,000 exports. Over 65 per cent of the imports are for Java and Madura, but the Outer Possessions (i.e. all islands exclusive of Java and Madura) contribute almost 70 per cent of the exports. The main suppliers of imported goods with their percentages of the total value in 1938 (1937 figures within parentheses) were: Holland, 22 (20); Japan, 15 (25); the United States, 13 (10); Germany, 12 (8); the United Kingdom, 8 (8). Canada's share is still not large, the total value in 1937 being Canadian \$1,693,450, increasing to \$2,015,200 in 1938.

The principal buyers of Netherlands Indies products are: Holland, 20 per cent in 1938 (19 per cent in 1937); the United States, 13 (18); Australia, 6 (4); the United Kingdom, 5 (5); Japan, 4 (5). Canada's purchases from Netherlands India were valued at Canadian \$491,150 in 1937 and \$673,750 in 1938.

Singapore is a transshipment point for certain Netherlands Indies imports and exports, but its importance as an entrepôt is definitely decreasing. *Canadian exporters should not regard Singapore as a distributing point for Netherlands India.*

GOVERNMENT COMMERCIAL POLICY

The Crisis Import Ordinance of 1933 granted wide powers to the Department of Economic Affairs, and the effects of the exercise of these powers are apparent in every phase of Netherlands India's commercial life. The policy has in general been designed (a) to encourage exports; (b) to improve and increase the diversification of agriculture; (c) to regulate imports by means of quotas and licences in order to promote closer relations with Holland and to increase the bargaining power of the mother country *vis-a-vis* foreign countries desiring to trade with Netherlands India; (d) to promote industrialization, particularly the manufacture of simple necessities in order to provide more employment for the native, Eurasian, and Dutch populations; (e) to encourage native emigration from overpopulated Java to South Sumatra and other undeveloped islands.

In the import trade the quotas and licences have taken two distinct forms: (a) the general allotment of quotas to importers irrespective of the origin of the goods but based upon the individual importer's position in the particular trade since 1929 and (b) the application of quotas by countries of origin so that Holland's share is protected in cases where her trade is normally important.

The effect of this system has been to safeguard the import and distribution trade for the old-established firms, most of which are Dutch, and to check, or in some cases entirely remove, the competition of Asiatic firms whose activities with the advent of low-priced Japanese goods had become a source of considerable concern both to older European firms and to the Government. The result is that in order to sell goods which are regulated by quotas and licences it is now almost essential to do business through one of the old firms, who hold most of the import permits. This to some extent simplifies the marketing of most new lines, as the smaller Asiatic firms are practically eliminated as possible agents. While the limitation upon the number of prospective agents undoubtedly has its disadvantages, dealing with the larger importers has the advantage of reducing the credit hazard. Most of these firms were already financially sound, and their position, both as importers and as financiers of small local industries, has been greatly enhanced in recent years.

CUSTOMS TARIFF

The customs tariff of Netherlands India is designed for revenue purposes. The principle of protection in the tariff itself is of minor application, but protection is given to certain commodities through excise duties or, in the case of some agricultural products, by partial or complete prohibition of imports. A system of quotas, discussed in the preceding section, gives advantages to Holland in a few cases. As far as the tariff is concerned, however, no preferences of any kind are accorded Holland or any other country.

The tariff on imported goods is assessed ad valorem upon the c.i.f. values. There are three basic rates: 6, 12, and 20 per cent ad valorem, the latter rate applying generally to so-called luxury articles. A few special items are assessed at 10 per cent and others at specific rates. The official "prijscourant" or "current prices," revised quarterly by the Customs Department, establishes the value of a number of items for duty purposes without reference to their invoice value. At the present time, in addition to the basic rates of duty, a surtax of 50 per cent is assessed on the duty payable on most commodities.

To meet the costs of administering the Government's efficient statistical service there is a special tax of $\frac{1}{4}$ per cent on most imports. Special excise duties are levied on petroleum, alcoholic beverages, matches, tobacco, and a few other commodities.

The Netherlands Indies Customs Department does not refund duties paid on goods that are subsequently re-exported or for some reason returned to the suppliers. This should be carefully noted by exporters of classes of goods for which current style or some similar feature is the sales point.

MARKET FOR DOWELS IN THE NORTH OF ENGLAND

BLAIR BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, September 21, 1939.—As previously reported from this office, a considerable market for imported dowels exists in the North of England. While a modest share of this business has been obtained in recent years by one or two Canadian firms, there is little doubt that the present volume could be substantially increased if sufficient supplies of the right dowels at competitive prices were available.

Before the outbreak of war the chief sources of supply were Scandinavia (principally Finland), Russia, erstwhile Czecho-Slovakia, the United States, and Canada. Unfortunately no separate statistics are published to indicate the volume of imports or the extent of domestic production. It may be said, however, that the proportion of dowels manufactured in Great Britain to those imported is very small.

EFFECT OF WAR ON IMPORTS

The import situation is bound to be changed by the war. Although Finland, whose birch dowels are easily in most favour here, is a neutral state, shipments from her ports are now seriously interfered with—if not stopped altogether—by the German blockade of the Baltic. This will necessitate routing supplies by rail for shipment via Norwegian or Swedish ports with a consequent increase in prices. In a lesser degree the prices of other Scandinavian dowels will also be affected.

Appraising the position from the point of view of Canadian manufacturers, the foregoing observations point to wider opportunities. On the other hand, the question of increased freights and war risk charges from Canada, combined with the probability that the use to which dowels are put will be curtailed, will require to be given full consideration. On balance, the opportunities awaiting Canadian manufacturers before the war are now regarded as being further enhanced.

TYPES AND QUALITY IN DEMAND

As mentioned, birch dowels from Finland are in most demand. Considerable quantities also come from Norway and Sweden, and a small trade was done previous to September 3 with Eastern European countries in beech dowels. Those from the United States are well regarded but are expensive. Canadian birch dowels of good manufacture and quality have given entire satisfaction. Maple dowels from Canada are also in good favour, but the demand for them is limited. Dowels of faulty manufacture or of questionable quality are not acceptable to United Kingdom importers, whose specifications are exacting. More than one Canadian manufacturer attempting to introduce his products in this market has had this fact demonstrated to him in a practical fashion. What is required is a well and accurately turned birch dowel revealing no sign of a ridge. It must be made from dry, straight-grained wood, free from knots and all other defects. It is not necessary for it to be sanded, but it is obviously the better for sanding.

The fact that yellow birch is slightly stronger than white is of little or no consequence to users of dowels. The majority of them will have nothing but the latter variety, owing to its clean and hard appearance. The percentage of heartwood dowels included in a shipment is very important and to avoid complaints should be kept to a minimum.

A fair demand exists for grooved and crimped dowels and dowel pins, sometimes known as glueing pins. The requirements of this particular trade are also exacting, although once a satisfactory plain dowel can be produced the added process of grooving and crimping is a simple matter to those possessing the necessary machinery.

SIZES

The diameters of dowels used are: $\frac{3}{16}$ -inch, $\frac{1}{4}$, $\frac{5}{16}$, $\frac{3}{8}$, $\frac{7}{16}$, $\frac{1}{2}$, $\frac{9}{16}$, $\frac{5}{8}$, $\frac{11}{16}$, $\frac{3}{4}$, $\frac{7}{8}$, and 1-inch. The lengths are: 12 inches, 16, 18, 24, 30, 36, 42, 48, 54, 60, 66, and 72 inches. The most popular sizes, however, are of $\frac{1}{4}$, $\frac{3}{8}$, $\frac{7}{16}$, $\frac{1}{2}$, and $\frac{3}{4}$ -inch diameter, in lengths from 18 to 48 inches, the principal of these being 24 and 36 inches long.

Those of $\frac{1}{4}$ and $\frac{5}{16}$ -inch diameter are usually packed in bundles of 500; the $\frac{3}{8}$, $\frac{7}{16}$, and $\frac{1}{2}$ -inch sizes in bundles of 200; and the $\frac{5}{8}$ and $\frac{3}{4}$ -inch sizes in bundles of 100. Bundles must be firmly secured to prevent warping.

Dowel pins, both grooved and crimped, are usually sold in $\frac{1}{4}$, $\frac{3}{8}$, and $\frac{1}{2}$ -inch diameters, and in lengths of 2, $2\frac{1}{4}$, and $2\frac{1}{2}$ inches. The dowel pin of $\frac{3}{8}$ -inch diameter is predominant. Shipment is made in bags containing 10,000 pieces.

DUTY

Canadian dowels enter the United Kingdom duty free, while those from foreign countries are charged 20 per cent ad valorem.

INQUIRIES

Inquiries for Canadian dowels have recently been received from several English firms, most of whom have previously been interested only in those from Scandinavia. An opportunity therefore exists for those manufacturers who believe they can quote successfully for this market, and they are invited to send samples and c.i.f. prices to the Canadian Trade Commissioner at Liverpool. Samples and price particulars of the Scandinavian products are available on application to the Department of Trade and Commerce, Ottawa.

TRADE OPPORTUNITIES IN THE AUSTRALIAN COMMONWEALTH

CANADIAN TRADE COMMISSIONERS IN AUSTRALIA

Melbourne, September 26, 1939.—Despite rapid expansion in secondary industries in Australia, imports of a wide variety of manufactured goods have been, and still are, necessary. The outbreak of hostilities in Europe and the consequent disturbance of markets and normal trade channels has resulted in an increasing number of inquiries being received at the offices of the Canadian Trade Commissioners in Australia as to the ability of Canadian manufacturers to export to Australia commodities formerly drawn from European and United Kingdom sources, the uncertainty of obtaining supplies from the latter source being an important factor.

Following is a list of these commodities:—

Textiles, etc.—Artificial flowers and feathers; artificial silks; bedspreads; carpets; doilies; felt hoods and hats; fur fabrics; gloves; handkerchiefs; laces; motifs; neckwear; sewing silks; tapestry and upholstering materials; tie silks; towels; velvets.

Metals, Metal Manufactures, Machinery, etc.—Tool steel; electrolytic iron; hair clippers; cycle accessories; tools; kerosene lamps and lanterns; clocks; frames and ornaments for ladies' handbags and kitbags; embossing plates; enamelware; radiator fans; guillotines; bookbinding equipment; guns and rifles; gas lighters; radio pilot automatic lamps; radio supplies; motor cycles; cutlery; needles; sinkers, dividers, etc., for knitting machines; cigarette lighters; malleable fittings; car vacuum cleaners; projectors; screens; surgical, veterinary, and dental instruments; padlocks; lathes; bronzing machines; stoves; gas water heaters (similar to Junker's); calculating machines; machines for confectionery and allied industries; hat-sewing machines; roller and ice skates; filling machines; automatic sheet feeders; rotogravure equipment, printing presses; cement-making machinery; Diesel commercial vehicles; cigarette-making machines; full-fashioned hosiery machines; circular knitting machines; flat knitting machines; industrial sewing machines; textile machines; packet-making and complete packeting machinery; warp knitting looms; rasher looms; chain rasher looms; bearded needles; latch needles; linkers and steamers; ribbon looms; braiding machines; chocolate and soap machines; tanning machinery; wood distillation plants; injection moulding machines.

Electric Machinery, etc.—Carborundum and electric wheels; electric lighting equipment; electric cables; switchboard apparatus; Pertrix batteries; miniature circuit breakers; electric light fittings; electric motors, drills, and appliances; electric light bulbs; electric irons.

Earthenware, etc.—Lighting glassware; ceramics; glassware; thermos flasks; pottery; statuary; Neon glass tubing.

Paper, etc.—Fancy box-cover papers and fancy display papers; stained glass paper; bronze powders and fancy metal box covers and display papers; leather and grey boards; compressed paper tubes and bobbins; picture books; crepe paper; stationery; embossed showcards; fashion journals; cigarette papers.

Jewellery, Toys, etc.—Imitation jewellery and stones; shoe ornaments; blocking and stamping foils, silver leaf, aluminium leaf, etc.; tinsel, flitter, glitter and tinsel cord; dolls and toys; games; celluloid and erinoid clasps, buttons, buckles; etchings and pictures; fancy goods.

Chemicals, etc.—Essential oils and flavourings; immenin; magnesium chloride; perfumery and toilet goods; aluminium and bronze powders; cleaning agents; brewer's pitch; fluxes; colloidal compounds and industrial chemicals; carbonate of potash; lactic, tannic, gallic, pyrogallie, etc., acids; acid phosphates and pyro-phosphates; ferro and ferri cyanide; epsom salts; galvanizing, etc., compounds; meta-bisulphite; hydrate alumina and calcined alumina; bicella, etc.; synthetic meter jewels; injection moulding powders; formic and oxalic acid; degreasing, etc., chemicals; dry colours for printing inks.

Miscellaneous.—Shoe leathers; cornflour; compressed cork manufactures; optical goods; celluloid; painters' sundries; bakelite torch cases; thermometers and barometers; lager; pencils and fountain pens; tape measures; brushware; musical instruments; cameras; corset elastics.

A market is already established in Australia for a wide range of the products listed above, and agents of Canadian manufacturers concerned are naturally conversant with the prevailing demand. In many cases, however, the efforts of these agents have been directed towards marketing only certain goods produced by their principals.

It is suggested, therefore, that manufacturers not only supply their present agents with complete data, prices, and literature covering all products available for export but that they also request these agents to maintain close contact with the Sydney and Melbourne offices of the Canadian Trade Commissioners in Australia in order that inquiries may be passed on to these agents without delay.

It is further emphasized that many of the requests being received by the Sydney and Melbourne offices are for buying connections or period purchases only, particularly in the case of raw or semi-manufactured items, machines and machinery. In order, therefore, that the Trade Commissioners in Australia may deal with such temporary or urgent requests for Canadian manufactures, catalogues and price data should be supplied without delay to the two offices concerned.

INQUIRIES FROM HONGKONG FOR CANADIAN PRODUCTS

Mr. V. E. Duclos, Canadian Trade Commissioner at Hongkong, writes under date September 28 that he has received numerous inquiries for Canadian sources of supply of products imported into Hongkong in the past from Germany.

Following is a list of products which have been the subject of such inquiries:—

Hydrochloric acid, 40 per cent.
Zinch chloride, 98-100 per cent.
Sodium metal.
Sulphuric acid, 66° Be.
Naphthalene balls.
Caustic soda.
Sodium sulphide.
Soda bicarbonate.
Chlorate of potash.
Saltpetre.
Phosphorus.
Camphor.
Borneol.
Ammonia chloride.
Zinc oxide.

Ferro alloys.
M.S. bars, plates.
Galvanized wire.
Brass and copper wire.
Gas tubes, black and galvanized.
Brass tubes.
Rivets.
Bolts and nuts.
Wire nails.
Copper bars.
Brass bars.
Hardware (general).
Newsprint.
Shoe findings.
Window glass.

Mr. Duclos suggests that Canadian exporters or manufacturers who are in a position to supply any of the products enumerated should forward to him detailed information together with prices and samples.

ALFALFA SEED SITUATION IN THE UNITED STATES

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

New York, October 26, 1939.—Production of alfalfa seed in the United States in 1939 is officially estimated at about 74,100,000 pounds, which is about 24 per cent greater than the 1938 production (59,880,000 pounds) and would indicate a record high production in recent years (1928-37 average being about 56,460,000 pounds). However, it is too early to give an accurate forecast of the final outturn. In this connection it may be noted that estimates of last year's crop at the end of September placed the production at only 46,620,000 pounds.

PRICES

In spite of this forecast of a heavy production prices have held up well and compare favourably with price levels for last year and for the five-year average. At the middle of September prices paid to growers ran between \$13.50 and \$18.50 per 100 pounds. Grimm alfalfa was bought from \$15 to \$23. However, there has since been some falling-off as western growers became more anxious to dispose of their stocks.

CROP CONDITIONS

Several factors have combined to hold up the price of alfalfa in the face of an apparent record crop. In the first place, the weather has been unfavourable since publication of the last official report and it is expected that the next forecast will show a considerable reduction. Minnesota, Idaho, and Montana are the principal producers of northern seed, with which Canada competes on an equal basis. Private reports indicate that the final outturn in Minnesota will be below the advance estimates due to excess rains, although it will probably be greater than last year's production. Crop losses were particularly heavy in the northern, and heaviest producing, section. Idaho reports are conflicting, but some sources indicate a very short crop in that state. On the other hand Montana reports forecast excellent production in that state. Michigan, also a fairly heavy producer, reports good quality for the new crop, and the volume also appears to be satisfactory. However, total clover seed production is estimated to be about 25 per cent below that of last year, so that there should be a proportionately greater outlet for alfalfa.

Because of the drought in the eastern states there has been an unusually heavy demand for alfalfa seed for fall seeding, so that the carry-over for spring sowing will be proportionately less than usual. The carry-over of last year's crop is not excessive, being estimated at about 5,750,000 pounds, of which 1,500,000 pounds were still in the farmers' hands.

NEW VARIETIES

Several new varieties of alfalfa that may prove to be more wilt resistant than the varieties at present in general northern use have been developed, but the tests have not yet been completed. It is expected that some such seed may be available within the next two or three years in commercial quantities, but for the immediate future reliance will continue to be placed on the old varieties.

IMPORTS

In spite of adverse preliminary indications for imports, therefore, there seems little doubt that a reasonable surplus of Canadian seed will find a ready market in the United States. Already some seed has been bought for export at 15 to 16 cents per pound f.o.b. shipping point in Canada. Possibly the returns

will not average as high as last year's, but all factors considered there appears to be little doubt that imports from Canada will be well up to recent levels.

Imports from Canada equalled 1,742,200 pounds for the twelve months ending June 30, 1937, 2,928,900 pounds for the following twelve months, and 2,467,000 pounds for the year ending June 30, 1939. These import figures are the highest in many years, since prior to 1937 the trade in imported alfalfa seed had been negligible. These quantities were imported following total production in the United States of 53,268,000 pounds in 1936, 58,860,000 pounds in 1937, and 59,880,000 pounds in 1938 (1927-36 average being 55,586,000 pounds). However, during these years production in the three states of Idaho, Montana, and Minnesota was well under average. The ten-year average for these states was 15,009,000 pounds, whereas the production was only 9,330,000 pounds in 1936, 11,820,000 pounds in 1937, and 9,720,000 pounds in 1938.

IMPORTS FROM GERMANY INTO FRANCE, JANUARY-JUNE

J. P. MANION, ASSISTANT COMMERCIAL ATTACHÉ

Paris, September 15, 1939.—For many years Germany has been in second or third place among foreign suppliers of France. Germany's share of total French import trade (exclusive of trade with the colonies) has generally been in the neighbourhood of 10 per cent. Total imports into France from Germany were valued at approximately \$130 millions in 1937 and at \$100 millions in 1938.

It is evident, therefore, that the effects of the war upon sources of supply will be very considerable. It should be noted, however, that France will be able to dispense with many of her previous imports, while that part of her excess production formerly sold to Germany should form the basis for an increase in certain exports to other markets, thus cutting down her unfavourable balance of trade in articles not necessary for war purposes.

It is proposed to review the imports into France from Germany during the first six months of this year in two groups. The first includes imports which may readily be discontinued without giving rise to an accrued demand from other sources; the second imports for which there may be an equal demand from other sources.

VALUE OF IMPORTS

Total imports from Germany for the first six months of 1939 amounted in value to 1,510,209,000 francs. At the average rate of exchange then current, this total value equalled approximately \$41,000,000. Of this amount, however, 580,532,000 francs or \$15,600,000 was the value of coal from German sources. The whole of this supply of coal may continue to come from French-occupied territory in the Saar Valley, or the importation of coal to replace it will be diverted mainly to the benefit of Belgium and partly to that of Great Britain. Deducting the value of coal imports from Germany, the value of the remainder, on the basis of the trade in the first half of this year, is about \$25,000,000 or at the rate of nearly \$50,000,000 a year.

IMPORTS LIKELY TO BE DISCONTINUED

Following is a list of products imported from Germany which are unlikely to be replaced by imports from other sources, together with the value of the imports of each from Germany in the first half of 1939:—

Live game, poultry, etc., 557,000 francs; sweet preparations (candy, biscuits, etc.), 116,000 francs; chocolate, 304,000 francs; precious stones, 1,431,000 francs; gold and platinum, 1,408,000 francs; aluminium, 4,187,000 francs; iron and

steel, 14,949,000 francs; prepared medicines, 6,208,000 francs; ceramic ware, 18,449,000 francs; porcelains, 6,772,000 francs; glass- and crystal-ware, 23,396,000 francs; silk and rayon yarn, 13,173,000 francs; silk and rayon tissues, 5,946,000 francs; clothing, 3,027,000 francs; paper, 14,523,000 francs; card-board and manufactures thereof, 4,780,000 francs; books, papers, etc., 12,235,000 francs; cinema films, 6,118,000 francs; prepared skins, 7,783,000 francs; manufactures of skins or leather, 4,162,000 francs; prepared furs, 4,579,000 francs; gold- and silverware, 882,000 francs; imitation jewellery, 5,753,000 francs; watchmakers' wares, 5,093,000 francs; woodenware, 2,120,000 francs; musical instruments, 4,379,000 francs; automobiles and other vehicles and their parts, 10,459,000 francs; boats, etc., 2,167,000 francs; hats and caps, 749,000 francs; manufactures of cork, 935,000 francs; ornamental ware, 2,476,000 francs; games and toys, 4,393,000 francs; other objects, 18,000,000 francs.

Some articles have been placed on the above list because they are luxury articles whose importation France will discourage in war-time; others because they are products in which France can readily become self-supporting, e.g., aluminium, prepared medicines, iron and steel. Paper has been placed in the list because French consumption will be greatly reduced due to newspaper editions limited to four pages only.

The total value of the products listed above amounts to 221,509,000 francs or approximately \$6,000,000.

IMPORTS LIKELY TO BE REPLACED

After allowing for the imports from Germany which are unlikely to be replaced by imports from other sources, there remain products imported from Germany to the value of \$19,000,000 in the first half of 1939, or at the rate of \$38,000,000 a year, which will have to be bought in whole or in part from other countries. Following is a list of some of these products, showing the value of imports of each from Germany in the half-year period:—

Raw hides and skins, 1,217,000 francs; fish products, 234,000 francs; seeds, 4,439,000 francs; fixed oils, 1,256,000 francs; vegetable gums, resins, and waxes, 1,604,000 francs; common wood, 684,000 francs; cellulose pulp, 31,827,000 francs; stones and earths for arts and crafts, 17,474,000 francs; copper, 7,787,000 francs; nickel, 4,274,000 francs; ammonium sulphate, 21,818,000 francs; coal-tar derivatives, 23,402,000 francs; other chemical products, 83,293,000 francs; prepared dyes, 27,181,000 francs; carbons, colours, inks, etc., 7,819,000 francs; cotton and woollen tissues, 3,033,000 francs; machines, motors, etc., 265,743,000 francs; tanks, boilers, and refrigerating apparatus, 3,965,000 francs; parts of machines, 66,441,000 francs; manufactures of metals, 85,943,000 francs; manufactures of rubber 5,078,000 francs; scientific apparatus, etc., 21,217,000 francs; other articles, 18,000,000 francs.

The total value of these products is close to 700,000,000 francs or, as stated above, \$19,000,000.

In order of importance, the values of the major items in this list, converted into Canadian dollars, are: machines, motors, etc., \$7,180,000; manufactures of metals, \$2,320,000; other chemical products, \$2,240,000; parts of machines, \$1,800,000; wood-pulp, \$850,000; prepared dyes, \$800,000; coal-tar derivatives, \$600,000; scientific apparatus, \$550,000; ammonium sulphate, \$550,000; stones and earths for arts and crafts, \$450,000.

WHEAT AND FLOUR SITUATION IN SWITZERLAND

J. A. LANGLEY, CANADIAN COMMERCIAL ATTACHÉ

(One Swiss franc equals approximately Canadian \$0.23 at the current rate of exchange, at which all conversions have been made. One metric ton equals 2,205 pounds; one kilo equals 2.2 pounds.)

WHEAT

Rotterdam, September 25, 1939.—The beginning of State control of the wheat trade in Switzerland dates back to the year 1915, when, as a measure of national emergency, the Government assumed sole responsibility for importation and distribution. This monopoly continued until 1929, when it was abandoned after a plebiscite had been held on the question of its continuance.

The constitutional amendment which abolished the monopoly provided at the same time measures of State aid for domestic wheat producers. The principal features are the formation and maintenance by the Government of reserve supplies of wheat and the purchase of home-grown wheat from the producer at a guaranteed price. The State also undertook to provide the machinery for the selling of this wheat to the millers; the paying, under certain conditions, of milling premiums; and the protection of the national milling industry against foreign competition.

GOVERNING LEGISLATION

The legislation dealing with the wheat trade of Switzerland is covered by the "Loi fédérale sur le Ravitaillement du Pays en Blé" of July 7, 1932. A recapitulation of the salient features of this legislation is subjoined:—

Reserves.—In order to ensure an adequate supply of wheat within the country, the Confederation is to maintain a reserve of approximately 80,000 metric tons (2,940,000 bushels), which quantity may, under exceptional circumstances, be augmented. This reserve supply is to be held in private or public warehouses and also in the private storehouses of the mills. It is to consist of the varieties and qualities best suited for milling purposes. It is laid down that the Federal Cereal Administration is responsible for the renewal of reserves. Sales are made to millers at the current market prices and equal quantities are concurrently purchased from abroad, so that the specified quantity is always held in stock. In buying wheat the Cereal Administration must purchase through Swiss importers or representatives of foreign grain firms domiciled in the country.

In view of the present international situation the Swiss Government announced on August 25, 1939, that, effective August 28, 1939, import permits for wheat and rye for milling purposes shall only be granted to those millers who undertake to store a quantity of wheat and rye—to be fixed by the Federal Department of Public Economy—in addition to the reserve supply which they have to keep in accordance with the provisions of the law of July 7, 1932.

Domestic Wheat.—It is specified that the Confederation is to purchase directly from Swiss producers wheat suitable for the making of bread. The price paid is to be between 34 and 45 francs per 100 kilos (\$7.82 and \$10.35 per 3.67 bushels) f.o.b. cars or free mill or warehouse. The price paid is to be fixed annually by the Federal Council. For wheat of a superior quality an additional 1.50 to 2.50 francs per 100 kilos (\$0.34½ to \$0.57½ per 3.67 bushels) may be paid. Higher payments may be made to producers of wheat in mountain regions on account of their higher production costs. Apart from aiding growers financially, the Confederation is to assist and encourage in all possible other ways the domestic production of bread grains.

Milling Industry.—The law places the milling industry in general under the supervision of the Confederation, whose advice and instructions it must follow.

The commercial mills are required, for instance, to store without cost their part of the reserve wheat and to adequately guard it against deterioration or damage. Operators of commercial mills must also take for grinding the domestic wheat purchased by the Confederation, and at the request of the Cereal Administration they must in addition purchase the foreign wheat held in storage in order to permit of the periodic renewal of stocks.

The Federal Council will fix the price to be paid for this wheat on the basis of the average price ruling for foreign wheat of similar quality franco mill. Home-grown wheat is delivered to the mills at a uniform price franco railway station or destination.

The section dealing with the milling industry also provides that the right to import bread flour is vested solely in the Confederation. The Cereal Administration may authorize such importation against payment of a compensatory duty at a rate to be fixed by the Federal Council. Industries which do not use bread flour for the manufacture of bread may be exempted from this tax.

The Confederation is further empowered to grant special facilities for the transportation of flour in the country. Furthermore, assistance is provided for mills in the mountain regions, which, because of locality, could not otherwise economically operate.

Control of Wheat Traffic.—All firms and individuals who import, sell, or trade in wheat are placed by the Wheat Act under the supervision of the Confederation. They must be inscribed in a register of commerce and make a declaration to the effect that they will conform to the regulations prescribed by the Wheat Act and in its functioning co-operate with the agents of the State.

Apart from the supervision of the trade, the movement of wheat is government controlled from the time the product enters the country until it is finally consumed. As regards domestic wheat, this control begins with its delivery by the producer to the Confederation.

Feeding wheat is exempt from the foregoing regulations.

Protection of Consumers.—The Confederation is also enjoined to protect the interests of consumers of bread from exploitation by the millers, who have monopoly privileges as regards the sale of flour.

OPERATION OF LAW

The administration of the wheat control legislation is in the hands of a body known as the Federal Cereal Commission, to which reference has already been made and whose headquarters are in Berne. In supervising the wheat trade this organization co-operates closely with the customs authorities and other interested government services.

In order to meet the cost of paying an abnormal price for home-grown wheat, legislation was passed concurrently with the abandonment of the monopoly to raise the statistical tax on all imports.

The price paid by the Confederation for domestic wheat of the 1937 and 1938 crops was 38.50 francs per 100 kilos (\$8.86 per 3.67 bushels) for first quality, 37.50 francs (\$8.63) for second quality, and 36 francs (\$8.28) for third quality. The price to be paid for the current year's crop will be the same.

EXTENT OF DOMESTIC PRODUCTION

Up to 1937 the area devoted to wheat-growing in Switzerland had remained fairly steady from year to year, the average being 130,000 acres. This figure increased to 195,200 acres in 1938 and 198,200 acres this year. The 1938 crop was extremely good, totalling some 7,813,000 bushels. This year weather conditions have been less favourable, and it is expected that the yield will amount to approximately 6,560,000 bushels. The fairly high yield per acre is made possible by the extensive use of fertilizers.

RESTRICTED IMPORTS

At the close of 1931 Switzerland adopted legislation which empowered the Federal Council to limit imports by means of quota restrictions. By a decree which became effective on May 12, 1932, wheat was placed under this law, and since then imports have only been allowed under permit from countries specified by the authorities.

The quotas granted to exporting countries are not published but are determined quarterly on an arbitrary basis, and confidential instructions are issued to the grain trade as to the quantities they may import and from what countries. In fixing quotas the repatriation of Swiss credits frozen in cereal-producing countries is taken into consideration. In addition, efforts are made to effect compensation arrangements with grain-growing states whereby Swiss industrial products are taken in exchange for wheat. The result of this has been the diversion of a large proportion of Switzerland's wheat purchases to certain European countries, chief among which are Hungary, Roumania, and Soviet Russia.

EXTENT OF MARKET

Despite the subvention of domestic production, its scope is limited by the topography of the country. Switzerland is still, therefore, an important wheat purchaser, particularly on a per capita basis, as may be seen from the following table showing Swiss wheat imports from chief supplying countries during the period 1934 to 1938 and for the first eight months of the current year:—

Imports of Wheat into Switzerland

	1934	1935	1936	1937	1938	Jan.-Aug., 1939
	Figures in Metric Tons of 2,204 Pounds					
Total.. . . .	461,004	480,108	463,936	438,615	458,765	252,531
Germany	19,437	370	54	47	90	63
France	19,887	9,221	15,562	5,070	.....	.....
Sweden .. . . .	.....	13,542	967	.....	.....	.....
Lithuania .. . . .	.....	7,599	.....	.....	2,081	.....
Czecho-Slovakia .. . . .	.....	.....	928	28,921	6,461	.....
Yugoslavia	1,425	.....	4,374	5,333	2	.....
Hungary	91,051	77,540	143,424	93,320	51,286	39,534
Bulgaria	3,913	.....	.....	1,985	2,477	.....
Roumania	196	58,638	50,051	63,330	40,655	56,380
Soviet Russia	22,528	1,382	11,597	14,191	83,839	3,392
Turkey	7,827	18,785	9,638	15,961	9,938	.....
Canada	86,879	57,368	155,470	68,422	106,629	84,857
United States .. . . .	.....	5	5	25,981	82,051	23,635
Argentina	202,886	219,314	51,546	111,868	55,726	43,895
Australia .. . . .	.....	.....	.....	377	2,445	.....
Chile	1,957	2,676	12,226	.....	13,645	.....

IMPORT DUTY AND CURRENCY SITUATION

By a Federal decree of August 13, 1938, the duty on wheat when imported into Switzerland was increased from 0.60 franc to 3 francs per 100 kilos (\$0.14 to \$0.69 per 3.67 bushels), applicable to wheat from all countries.

There are no currency transfer restrictions as far as Canada is concerned, and payments are made in a regular manner.

FLOUR

There is the equivalent of a prohibition on the importation of flour into Switzerland; the market is reserved exclusively for Swiss millers by a government import monopoly. The "Loi fédérale sur le Ravitaillement du Pays en Blé," which confers this authority on the Confederation, states that the Cereal Administration may authorize flour imports against the payment of a compensatory duty, the amount of which is fixed by the Federal Council. At the

moment it is 25 francs per 100 kilos (approximately \$5.75 per 220 pounds) gross weight. There is also a proviso that industries which may require flour for purposes other than bread-making may be exempted from this levy. In practice there are no imports of bread-making flour. The ordinary duty on flour imported into Switzerland is 4.5 francs per 100 kilos (\$1.03 per 220 pounds).

There are fifty-nine flour mills located in various parts of the country, many of which are small. Production figures are not available.

The domestic milling industry is given this monopoly *vis-a-vis* the government supervision to which it has to submit, and the storing without charge of part of the state wheat reserves. Mention was made of these features in the preceding section of this report on the wheat trade regulations prevailing in Switzerland.

WHEAT AND FLOUR TRADE OF CHINA

M. T. STEWART, ACTING TRADE COMMISSIONER

Shanghai, September 14, 1939.—China is an important market for imported wheat and flour, in spite of her own large domestic production, and North China is one of the most important flour-consuming markets in the world. The North Chinaman does not eat rice in any quantity, and in years when drought or hostilities interfere with the crop or the harvest, Tientsin is an important import centre for flour, limited only by the ability of the consumer to purchase it. The peak of the trade in imported flour was in 1929 when 550,000 tons were imported into what is now known as China proper.

The history of the flour trade since the opening of the century is varied and interesting; but for purposes of the present report it is sufficient to note that a combination of circumstances favourable to the importation of flour, such as a large demand created by the unusual local conditions combined with cheap supplies available from abroad, results in heavy importations. The period from 1926 to 1933 was notable for the largest imports, the chief contributing factors being: (1) almost continual civil wars; (2) widespread drought in North China with consequent famine, particularly during 1928 to 1929, the largest import year; (3) the great flood in the Yangtsze Valley in 1931, which was one of the worst in China's history and which was followed by severe floods again in 1933; (4) low prices, an unusually large supply of poor-quality wheat available in Canada, and falling markets elsewhere, which enabled the Canadian mills to produce large quantities of cheap flour for the China market; (5) American loan arrangements of 1931 and 1933, which led to large quantities of American flour and wheat being purchased on credit for flood relief purposes. Imports of flour to China proper fell sharply from 216,000 tons in 1933 to 67,000 tons in 1934 and still further to 34,000 tons in 1936.

The export trade in flour from China is unimportant and is confined to a few nearby small markets.

DOMESTIC WHEAT PRODUCTION

Wheat is grown over large areas of China, but the exact extent of the crop is exceedingly difficult to estimate even in normal times. Under the existing conditions of Sino-Japanese hostilities anything more than a rough estimate is impossible. The average wheat crop for China proper is generally placed at about 1,000 million bushels, but the average of the National Agricultural Research Bureau's estimates of actual production for the six years 1930-31 to 1935-36 is 820 million bushels. The United States Department of Agriculture has estimated that the 1938 crop was about 638 million bushels. Although accurate information on the current crop is not available, informed opinion indicates that the 1939 crop is further substantially reduced from 1938, particularly in North China.

Wheat is grown in practically every province of China; but the amount produced south of the Yangtze Valley is relatively negligible, being less than 10 per cent of the total. In South China, where the rainfall is plentiful and dependable, the hot moist climate favours rice, of which two, and even three, crops are grown in the same year; so wheat is grown there only on uplands unsuitable for rice cultivation. Five provinces in the north, namely Honan, Shantung, Kiangsu, Szechwan, and Anhwei, account for about 65 per cent of the total production. With the addition of the five provinces of Hopei, Hupeh, Shensi, Shansi, and Chekiang about 90 per cent of the total production is covered. The population of these ten provinces, estimated at about 220 million people or approximately half the total of China, forms the chief consumers of wheat flour, and it is from them that the local supplies of wheat for the Shanghai, Tsingtao, Tsinan, Tientsin, and Hankow flour mills are drawn. These provinces have suffered most severely from the ravages of the civil wars during the past couple of decades, and they have also formed the area ravaged during the course of the current Sino-Japanese hostilities. Further, they are the part of China most subject to floods and drought, and when one or the other occurs great damage over widespread areas usually results.

Wheat is grown in these provinces under the most primitive conditions. Much of it is ground into flour by old-fashioned stones and consumed in the village area where it is grown. In view of the vastness of China and the Chinese farmers' complete disregard of modern methods of production, transportation, and communication, it is evident that crop estimates can be at best only a rough approximation.

DOMESTIC FLOUR MILLING

Flour milling in China in the modern sense dates from 1896 when the first mill was established in Shanghai, and Shanghai has remained the chief flour-milling centre. The industry in Shanghai, entirely Chinese-owned, is conducted along western lines. There are two large flour-milling groups operating fourteen mills with a combined production of about 2,000 tons daily.

Flour mills are also located at Wusih and Nanking and elsewhere in Kiangsu Province, and in Tsingtao there are three mills and at Tsinan and Tientsin six each. It is reported that the Japanese have taken over these mills. Nothing as to the state of their operations is actually known, but it is thought that they are comparatively inactive and some partially destroyed.

The Shanghai flour mills in normal times do a large trade with Tientsin and a smaller trade with many other ports on the China coast. The mills in the other centres, when producing, cater almost entirely to local requirements. At the present time, however, for practical purposes Shanghai may be considered the only active flour-milling centre in China.

WHEAT IMPORTS

China's import trade in wheat, as already stated, depends on many variable factors. Recently the imports of wheat into Shanghai have been quite large, the quantity entering in the first half of this year far exceeding the total imports in the previous three calendar years. Australia has been the leading supplier since 1934, due to proximity to the China market and cheap supplies of wheat of a quality acceptable to the local millers. Price, not quality, is the predominant factor in the sale of wheat in China. Imported wheat needs only to be slightly above the quality of the local wheat. The market for high-quality hard wheat is restricted to the small foreign community in Shanghai and other centres where the usual quantities of baker's patent flour are sold. The bulk of the wheat imported into Shanghai is handled by two world-wide grain trading organizations. These two firms are also active in the importation of flour, although there are quite a number of direct importers participating in the flour trade.

The following table shows the quantities of wheat imported into China proper and into Shanghai and Tientsin in the five years 1934 to 1938 and in the first six months of 1939:—

Imports of Wheat into China Proper

	1934	1935	1936	1937	1938	Jan.-June, 1939
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Total	17,047,869	19,099,985	4,283,007	1,578,379	99	12,251,349
Argentina	3,558,907	3,865,238	.....	.....	..	.....
Australia	1,577,293	14,916,297	3,542,341	1,578,298	..	8,398,445
Canada	311,424	37,121	116,024	.....	..	33,264
France . . . . .	.....	98,717	.....	.....	..	.....
Germany . . . . .	.....	.....	315,333	.....	..	.....
Hungary	279,411	.....	.....	.....	..	.....
Japan	4,330	.....	.....	.....	..	.....
Portugal . . . . .	.....	.....	309,283	.....	..	.....
United States	11,316,103	177,078	3	.....	..	3,819,592
Other countries . . .	399	5,533	22	81	99	47

Imports of Wheat into Shanghai

	1934	1935	1936	1937	1938	Jan.-June, 1939
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Total	14,968,367	16,523,408	4,065,864	1,084,167	62	11,273,218
Argentina	2,953,474	3,314,087	.....	.....	..	.....
Australia	980,243	13,073,313	3,358,065	1,084,090	..	7,806,861
Canada	311,424	37,121	83,160	.....	..	33,264
France . . . . .	.....	98,717	.....	.....	..	.....
United States	10,443,638	.....	.....	.....	..	3,433,045
Other countries . . .	279,587	169	624,639	77	62	48

Imports of Wheat into Tientsin

	1934	1935	1936	1937	1938	Jan.-June, 1939
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Total	332,119	156,907	.....	357,965	37	Not available

FLOUR IMPORTS

In normal times the importation of flour into Shanghai and North China would be relatively small as the Shanghai millers are in a position to take care of the bulk of the North China requirements. Since the outbreak of hostilities in August, 1937, however, Shanghai millers have been comparatively inactive and large quantities of flour, again chiefly Australian, have been imported direct to Tientsin.

As in the case of Australian wheat, Australian flour is well suited to the requirements of this market, although Canadian flour made from the cheaper-quality wheats would find a ready sale in North China provided it could be landed on a competitive basis with Australian flour. Flour consumed by the Chinese masses is not baked into bread, but is made into noodles and a flat round type of cake, for which high-quality flour is not particularly required. Flour is imported by a number of Chinese and foreign firms both in Shanghai and Tientsin. It is to be noted that the Japanese participation in the Tientsin flour trade, which was quite large in 1938, fell to insignificant proportions in 1939, presumably due to the difficulties which the Japanese importers have experienced in financing foreign shipments.

The following table shows the quantities of flour imported into China proper and into Shanghai and Tientsin in the five years 1934 to 1938 and in the first half of 1939:—

Imports of Flour into China Proper

	1934	1935	1936	1937	1938	Jan.-June, 1939
			Figures in	Short Tons		
Total	65,669	56,272	34,178	33,495	280,840	215,314
Australia	13,207	20,140	12,395	16,111	125,607	113,291
British India	8	.....	.....	.....	.....	.....
Burma	1	.....	.....	.....	.....	.....

	1934	1935	1936	1937	1938	Jan.-June, 1939
			Figures in	Short Tons		
Canada	12,089	14,398	12,126	8,641	8,439	5,455
Formosa . . . . .	.....	.....	.....	.....	231	.....
French Indo-China . . . . .	.....	.....	.....	.....	75	.....
Germany	1	.....	.....	.....	.....	.....
Great Britain	27	.....	.....	.....	.....	.....
Hongkong	49	.....	.....	90	1,558	1,227
Japan	1,087	2,411	5,651	597	123,016	13,957
Korea . . . . .	.....	.....	.....	.....	434	.....
United States	39,173	19,021	3,846	7,887	19,391	76,682
Kwantung	21	64	78	131	1,989	.....
Other countries	7	24	84	37	99	4,702

Imports of Flour into Shanghai

	1934	1935	1936	1937	1938	Jan.-June, 1939
			Figures in	Short Tons		
Total	27,102	8,058	6,441	6,671	8,556	40,440
Australia	1,035	821	1,054	1,051	790	2,751
Canada	2,699	3,982	3,927	3,728	4,432	4,625
Hongkong . . . . .	.....	116	0.3	24	103	54
Japan	13	89	0.8	57	0.6	3
United States	23,338	3,045	1,446	1,794	3,215	33,006
Kwantung . . . . .	.....	.....	.....	10	1	.....
Other countries	20	4	15	6	14	.....

Imports of Flour into Tientsin

	1934	1935	1936	1937	1938	Jan.-June, 1939
			Figures in	Short Tons		
Total	4,946	11,593	6,054	475	228,800	Not available

GENERAL IMPORT SITUATION

In a normal year, which in China is so rare as to be abnormal in itself, there is no considerable importation of foreign wheat into Shanghai or foreign flour into Tientsin. The Shanghai mills do a large flour business in Tientsin, and with the other mills in the north operating freely, flour importations are not very large. The Chinese wheat crop is harvested in June and comes on the market shortly thereafter. In a fair season local supplies last until about November or later, and there are some importations from January to May to augment local supplies and carry over until the new crop arrives on the market. There is, of course, always some demand for imported wheat for blending purposes. In a poor year the importation of wheat would start earlier and be in greater volume. The 1938 and 1939 seasons cannot be considered really poor years, but the growing, purchasing, and transportation of the local crop has been so interfered with and restricted by the Sino-Japanese hostilities and the widespread guerilla activities that the wheat normally available to the Shanghai market has not been able to reach it.

A survey of the import statistics for wheat and flour reveals that 1937 and 1938 were particularly dull periods in the wheat trade to Shanghai, whereas the first six months of 1939 was a period of considerable activity. It will be noted that practically all the wheat imported came to Shanghai, whereas the bulk of the large wheat flour importations made in 1938 and in the first half of 1939 were to Tientsin. The importation of wheat into China was practically nil in 1938. It follows that the Shanghai flour mills were running on supplies of local wheat which were freely available during the early part of 1938. It was found more profitable to import full cargoes of Australian flour direct to Tientsin than to import Australian or American wheat to Shanghai, mill it, and reship it to Tientsin. During the latter part of 1938 the Sino-Japanese hostilities caused the Yangtze River to be closed to commercial shipping. In consequence, supplies of local wheat were cut off from Shanghai, necessitating unusually large importations of wheat from abroad early in 1939; but the business then died away, due to the drop in the foreign exchange value of the Chinese national dollar. Wheat and flour from the United States became com-

petitive for a short period due to the assistance received from the export subsidy granted by the United States Government, but otherwise little business would have gone to America. The price of Canadian wheat and flour was never sufficiently competitive to enable large business to be booked.

EXCHANGE SITUATION

The future of the import trade in wheat and flour is so closely allied with the local exchange position that a brief review of developments which have brought the Chinese national dollar down to its present disastrous level may be of interest. In November, 1935, the Chinese currency was put on a managed basis and the value of the Chinese national dollar was fixed at 29½ cents United States currency. It remained stable at that rate until March, 1938, although the Sino-Japanese hostilities broke out in North China on July 7, 1937, and in Shanghai on August 13. On March 13, 1938, the Central Government announced certain exchange control measures which immediately shook the foreign exchange value of the Chinese dollar. After wide fluctuations it settled down for some weeks at about 26 cents, but towards the end of June, 1938, fell to about 17 cents, at which rate it was supported for some time by the British banks. As the importing community had come to rely on the Chinese dollar being supported at about 17 cents, business was conducted freely on this basis and the import trade made a good recovery which lasted until the end of May, 1939, when it became apparent that the heavy flood of imports could not be maintained. As the funds of the Stabilization Control Board were being rapidly depleted, support for the Chinese dollar was withdrawn on June 7 and the rate rapidly fell to 14 cents and for a short time was held at about 13 cents.

The sudden drop in exchange marked the end of the boom in the import trade in wheat and flour as well as in that of many other commodities. In the middle of July the exchange value of the Chinese dollar again declined rapidly to about 8 cents United States currency and is now slightly below that level. The value of the national currency in North China has been fractionally less than the quotations on the Shanghai dollar given above. As the cost of imported wheat and flour to the Chinese consumer is more than four times the cost when exchange was about the nominal par, and as there has been no compensating increase in the meagre income earned by the masses, the drastic effects on the import trade will be appreciated. The exchange situation is very obscure and there is no reason to hope for any marked improvement in it so long as the Sino-Japanese hostilities continue.

It is axiomatic that the demand of the Chinese masses for foodstuffs is only limited by their ability to purchase them. China cannot adequately feed her immense and growing population from her own resources. Thus any considerable increase in purchasing power would be immediately reflected in increased importation of foodstuffs, notably wheat and flour. Even in normal times many millions of farmers cannot afford to eat the wheat which they grow themselves, so the widespread distress caused by the unfavourable exchange position is difficult to describe.

Some business will continue to be done in wheat and flour, although the market has been completely inactive since May. The stocks of wheat in Shanghai are not large, but under existing unfavourable exchange conditions buying can only be on a hand-to-mouth basis, and the cheapest supplies, irrespective of quality, will dominate the market. Canada, in view of her proximity, is favourably situated to participate in the trade. Contact between local importers and Canadian exporters is being actively maintained, so that no opportunity to do business will be lost, provided Canadian prices are competitive with those of other sources. The import duty on wheat and flour was removed on June 1, 1938, and there are no regulations connected with the shipment of wheat and flour to China which are not already well known to the Canadian shippers interested in the China market.

JAPAN'S TRADE IN CANNED FOODS

C. M. CROFT, COMMERCIAL SECRETARY

(One yen equalled approximately 27·5 cents Canadian in the first half of 1939)

Tokyo, September 15, 1939.—A survey was made recently by the Japanese Canned Foods Association into the exports of various kinds of canned foods, other than salmon, crab, tuna, sardines, and mandarines, during the first six months of 1939 as compared with the corresponding period of 1938. This survey showed that the value of these exports was 9,217,000 yen as compared with 4,083,000 yen, an increase of 5,134,000 yen or 126 per cent.

EXPORTS

The values of exports by items in the two periods and the increase in 1939 over 1938 is shown in the following table:—

	January to June		
	1939	1938	Increase
	Yen 1,000	Yen 1,000	Yen 1,000
Total	9,217	4,083	5,134
Meats, poultry, game	532	485	47
Abalone	362	136	226
Bamboo shoots	831	477	354
Mushrooms	263	203	60
Green peas	319	60	259
Jams	79	36	43
Pineapples	1,617	455	1,162
Fish, n.o.p.	660	535	125
Shellfish, n.o.p.	521	387	134
Vegetables, n.o.p.	627	363	264
Fruits, n.o.p.	1,531	403	1,128
Others	1,873	542	1,331

The sharp increase in the value of the exports of these miscellaneous canned foods was due largely to larger shipments to the countries in the “yen-bloc,” namely China, Manchukuo, and Kwantung Leased Territory, although shipments to other countries showed a percentage increase of nearly 100 per cent. The value of the shipments of these canned goods to “yen-bloc” countries increased by 3,926,000 yen during the six months, whereas shipments to other countries showed an expansion of 1,208,000 yen.

The values of exports to chief purchasing countries and to Canada in the two periods are set forth below:—

	January to June		Inc.+ or Dec.— Per Cent
	1939	1938	
	Yen 1,000	Yen 1,000	
Total	9,217	4,083	+ 125.7
Manchukuo	1,900	548	+ 246.7
Kwantung Leased Territory	2,582	1,531	+ 68.6
China	2,292	769	+ 198.0
Great Britain	698	197	+ 254.3
Belgium	83	32	+ 159.3
United States	927	261	+ 255.1
Canada	20	31	— 35.4
Hawaii	388	453	— 14.3

It is interesting to observe that, apart from those to “yen-bloc” countries, shipments to all other specified countries, except the Straits Settlements, Philippine Islands, Canada, Peru, and Hawaii, increased in value in the first half of 1939. European countries in particular purchased Japanese canned goods to a greater value than in 1938.

The preceding tables of exports did not include the more valuable shipments of canned salmon, crab, tuna, sardines, and mandarines. The values of exports of these commodities, as shown in official trade returns, were as follows:—

	January to June		Inc. + or Dec. —	
	1939 Yen 1,000	1938 Yen 1,000	Per Cent	
Salmon	5,385	9,724	—	44.6
Crab	8,276	5,717	+	44.7
Tuna	2,975	1,701	+	74.9
Sardines	3,999	3,119	+	28.2
Mandarines	7,950	4,970	+	59.9

PLANNED PRODUCTION

Because of an increased demand from Europe, presumably due to the outbreak of hostilities, the Japanese Canned Foods Association have made a thorough investigation of the local situation and have determined the output of various kinds of canned foods for the twelve months commencing October 1, 1939. The proposed pack is to be 22,065,000 cases valued at 312,190,000 yen, of which 12,744,000 cases to the value of 197,152,000 yen are to be exported to "third" countries or those outside the "yen-bloc" and 2,991,000 cases at an estimated value of 37,761,000 yen are to be exported to countries within the "yen-bloc."

The projected production shows an increase of approximately 50 per cent over the quantity of 15,170,000 cases which were packed in the calendar year 1938. The proposed exports to countries outside the "yen-bloc" show an increase of some 100,000,000 yen over those during 1938, while the plan of shipments to "yen-bloc" countries involves an increase of 22,472,000 yen.

As drafted the plan calls for the production of 1,970,000 cases of animal products valued at 36,550,000 yen, 10,460,000 cases of aquatic products valued at 185,730,000 yen, 7,240,000 cases of fruits valued at 63,135,000 yen, and 2,395,000 cases of vegetable products valued at 26,775,000 yen.

The following table shows the quantities and values of the projected exports during the 12 months commencing October 1, 1939:—

	"Yen-bloc" Countries		Other Countries	
	1,000 Cases	Yen 1,000	1,000 Cases	Yen 1,000
Animal products	419	7,806	264	5,515
Aquatic products	958	12,532	7,354	145,865
Salmon	244	3,172	2,756	67,828
Crab	10	500	690	34,500
Tuna	136	1,496	605	9,055
Mackerel	5	60	495	5,940
Sardine	216	2,014	2,448	23,362
Shellfish	85	1,360	50	800
Fruits	1,098	11,897	4,825	41,540
Pineapple	381	3,048	1,000	8,000
Orange	568	4,544	3,000	24,000
Vegetables	516	5,526	301	4,232

The value of the proposed exports to the countries within the "yen-bloc" has been calculated at an average price of 12.62 yen per case and that for shipments to other countries has been taken at 15.47 yen per case.

As a preliminary step in the production increase plan the Japanese Canned Foods Association has requested the authorities for further supplies of tinplate to ensure an adequate supply of cans. It is estimated that 110,000 metric tons of tinplate will be required apart from any reserve supply which may be provided. For the year ending September 30, 1939, the supply of tinplate authorized was 88,000 tons, although the actual consumption has been about 76,000 tons.

SPRING COCOON YIELD IN JAPAN

Referring to the report on the Japanese Spring Cocoon Estimate which appeared in *Commercial Intelligence Journal* No. 1852 (July 29, 1939), Mr. C. M. Croft, Commercial Secretary of the Canadian Legation at Tokyo, writes under date September 13 that a survey conducted recently by the Ministry of Agriculture and Forestry into the final crop of the spring cocoons for 1939 shows that the number of producers engaged in sericulture declined by 42,042 or 2.7 per cent as compared with last year, the number being 1,491,799, and that the silkworm egg-cards incubated totalled 129,037 pounds, a decrease of 18 pounds.

Notwithstanding the decreased number of producers and the slight decrease in the quantity of egg-cards incubated there was an increase of 31,900,983 pounds or 9.4 per cent in the yield of spring cocoons, the increased value being 229,926,114 yen or 129.6 per cent as compared with 1938. The 1939 yield of spring cocoons totalled 369,730,829 pounds valued at 407,403,433 yen. The 1939 production as compared with the average of the preceding three years showed an increase of 17,654,076 pounds or 5 per cent in quantity and of 197,399,903 yen or 94 per cent in value. The increased production was attributed to favourable weather conditions and the marked increase in value was due to a substantial increase in market prices.

Included in the 1939 spring crop were 312,440,426 pounds of white cocoons valued at 347,472,512 yen and 57,290,403 pounds of yellow cocoons valued at 59,930,921 yen.

MEXICAN TEXTILE INDUSTRY

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, September 16, 1939.—The Mexican textile industry comprises five branches: cotton textiles and yarns, woollen textiles and yarns, natural and artificial silk textiles and yarns, haberdashery, and work clothes. The cotton textile industry is by far the most important, production in 1937 being valued at nearly 156 million pesos, and representing one-sixth of the value of the industrial production of the country. The latest statistical information shows that there are 188 cotton textile mills in the country, distributed among eighteen states. The most important industrial centres are located in the Federal District, Puebla, Veracruz, Querétaro, Mexico, and Jalisco, but nearly three-fourths of the total production is from 45 mills established in the more important industrial centres, such as Puebla, Veracruz, and the Federal District.

The industrial census for 1935 showed that 19 per cent of the value of all cotton textiles and yarns came from mills where Mexican capital predominates, 39 per cent from concerns controlled by Spanish capital, 37 per cent from French-owned mills, and the balance from mills owned by individuals of other nationalities.

CLASSES OF PRODUCTS

The production of cotton textiles and yarns embraces seventy different products, considering only those lines for which the value of production is over 10,000 pesos. Ten groups of similar products have a value of over 4,000,000 pesos: "mantas" (unbleached calico), dyed goods, fancy goods, drills, yarns, coloured goods, "mezclillas," shirting, white goods, and percales. Manta, which accounts for 31 per cent of the total value, is manufactured mainly in the Querétaro and Puebla mills. Dyed stuff comprises about 11 per cent of the total and is produced at Guadalajara (Jalisco), Jalapa (Veracruz), and the Federal District mills. Fancy textiles, which account for about 10 per cent of the total value, are mostly made in the Orizaba (Veracruz) mills. Drills are mainly manufactured in the Orizaba, Atlisco, and Jalapa mills.

Yarns in different forms—unbleached, bleached, mercerized, dyed, candle wicks, etc.—occupy fifth place in the above-mentioned groups, but artificial silk textiles, silk textiles, stockinet tissues and many others are manufactured both by the cotton textile industry and by that devoted to silk textiles and yarns, as well as by the haberdashery industry. These latter, while important lines, are secondary as far as the cotton textile and yarn industry is concerned.

COTTON TEXTILES AND YARNS

This particular branch of the textile industry has shown a constant increase for the past number of years. In 1920 there were 120 mills, employing about 38,000 operatives and producing 28·5 million kilograms (one kilogram equals 2·2 pounds) of all kinds of materials. In 1925 the number of mills had increased to 124 with 42,000 operatives and producing 36 million kilograms. In 1930 there were 141 mills and their production amounted to 36·8 million kilograms. The value of production in 1929 was 101,545,884 pesos, increasing to 165,341,173 pesos in 1934 and decreasing to 155,814,671 pesos in 1936.

WOOLLEN TEXTILES AND YARNS

The woollen textile and yarn industry, which produces goods to the value of more than 30,000,000 pesos per annum, is less broadly distributed than the cotton industry. The leading mills are located in the Federal District and in the states of Hidalgo, Mexico, and Puebla, with some smaller mills in the states of Guanajuato, Jalisco, Tlaxcala, Aguascalientes, Coahuila, Durango, and San Luis Potosí. In 1924 there were only 29 mills, employing a little over 5,000 operatives, with a production of 2,000 metric tons. In 1929 the number of operatives increased to 5,400, and production had an approximate value of 6,000,000 pesos. In 1934 production amounted to 19,400,000 pesos, and in 1937 it reached almost 32,000,000 pesos.

The industry manufactures 24 different products besides many others the annual production of which is valued at less than 10,000 pesos. The first category covers three groups having an annual production of over 1,000,000 pesos, as follows: combed, carded, and mixed cloth; travelling blankets and bed blankets of all kinds; and knitting wool. The production of cashmere amounts to about 64 per cent of the whole production, and is produced principally in the mills located in the Federal District. Combed cloth represents the largest proportion in the production of cashmere, illustrating the development and the improvement of the industry.

NATURAL AND ARTIFICIAL SILK TEXTILES AND YARNS

The natural and artificial silk textile and yarn industry operates 59 mills employing over 3,800 operatives and producing a great variety of products, many of which are similar to those manufactured by the other branches of the industry. Eighty-seven per cent of the raw material used is imported, in contrast with other branches of the industry producing cotton textiles and yarns, haberdashery, and ready-made clothes. A similar situation occurs in the woollen textile and yarn industry, which depends on imports for more than 50 per cent of its raw material. In 1937 the production of artificial silk textiles was valued at 16,500,000 pesos, or the equivalent of more than 84 per cent of the total value of the production of this branch of the industry, which is located almost exclusively in the Federal District.

HABERDASHERY

The haberdashery industry is of less importance than the preceding ones, both in the number of operatives employed and in the value of its production.

Its development appears to have been slower, a comparison between the figures for 1930 and 1935 showing that production was stationary; in both cases, the value was a little over 11,000,000 pesos. After 1936 greater activity was apparent, production being valued at 13,400,000 pesos; in 1937 it amounted to 15,700,000 pesos.

Production, while varied, consists mainly of seven products whose individual value is over 500,000 pesos per year. They comprise cotton stockings, cotton socks, artificial silk stockings, cotton and artificial silk socks, woollen sweaters, thread, and cotton undershirts and cotton sweaters.

There are 143 mills engaged in the production of these items, according to the latest information, located for the most part in the Federal District and in the States of Jalisco and Puebla.

READY-MADE CLOTHING

The ready-made clothing industry is represented by 68 firms, employing some 2,300 operatives, distributed over seven industrial districts: Federal District, Concordia (Sin.), Guadalajara, Monterrey, Orizaba, Torreón, and Tampico. This does not include many small shops, as only firms with an annual production valued at over 10,000 pesos are included in the 1935 census figures. Fifty-seven different products are manufactured by this industry, among which eight groups have a production value of over 500,000 pesos per annum, as follows: men's shirts, men's jersey underwear, men's cloth suits, pants, ladies' wraps, ladies' jersey underwear, handkerchiefs, and silk dresses.

DEVELOPMENT OF THE TEXTILE INDUSTRY

The textile and yarn industry has undoubtedly developed under the impetus of an increasing demand in the domestic market. The quality of the goods made in Mexico is such that they can successfully compete with many of the best types of similar articles obtained abroad, and additional imports are largely due to the demands of fashion. However, the local manufacturers are quick to imitate imported models, which are soon displaced by those of domestic production.

During the last few years the textile industry in Mexico has effected an increase in the production of fine-quality articles, indicating that there has been an improvement in the purchasing power of certain classes of buyers due to increases in wages and salaries. However, due to the fact that textile production is already well established in many other countries, it is apparent that the Mexican industry must depend upon internal consumption, there being little possibility of developing export markets, unless for some of its fancy textiles, which are attractive to certain classes of consumers.

On the other hand, Mexico imports textile products in considerable quantities. Imports of cotton thread exceed 4,500,000 pesos in value per annum, and those of cotton textiles are valued at more than 4,000,000 pesos. Imports of artificial silk have decreased somewhat, although they still exceed 500,000 pesos, and those of woollen textiles show a tendency to increase, now exceeding 900,000 pesos per annum. Cotton stockings and socks still account for several hundreds of thousands of pesos, and there is a similar tendency in imports of artificial silk stockings and socks. Some of these imports cannot be eliminated, such as sewing thread, as Mexico does not yet produce a cotton fibre of the length necessary for its manufacture.

In the Mexican tariff schedule numerous heavy duties are imposed on textiles, thread, yarns, and tissues, the rates varying greatly in accordance with length, weight, and other characteristics of the products.

TARIFF CHANGES AND TRADE REGULATIONS

New Zealand

IMPORT AND EXPORT CONTROL VALIDATED

Mr. W. F. Bull, Canadian Trade Commissioner in Auckland, New Zealand, has written that the Customs Act Amendments Act has become law, validating the import and export restrictions that were established by Order in Council of December 5, 1938 (see *Commercial Intelligence Journal* No. 1823, of January 7, 1939, page 1). A section of the new Act states: "The Import Control Regulations, 1938, . . . are hereby declared to be and to have always been valid."

A New Zealand importer who imported goods without the licence required by the regulations appealed to the Supreme Court against the action of the Collector of Customs in seizing the goods and secured a judgment that the regulations were invalid. The Government had stated its intention to appeal against this judgment, but the passage of the Customs Act Amendments Act, validating the regulations, is said to render such an appeal unnecessary.

1939 IMPORT LICENCES VALID TO JUNE 30, 1940

With reference to the article appearing in *Commercial Intelligence Journal* No. 1865 (October 28, 1939), page 801, Mr. W. F. Bull, Canadian Trade Commissioner in Auckland, has cabled that the Comptroller-General of Customs has ruled that licences issued for the importation of goods into New Zealand during the second half of 1939, and not utilized for the full amount of such goods by the end of this year, will be valid for the admission of the remainder of such goods up to June 30, 1940, regardless of the import licensing allocations for the first half of 1940.

Australia

TARIFF AMENDMENTS

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, writes under date September 23 that the Commonwealth budget and taxation proposals for the year 1939-40 were submitted to the Commonwealth Parliament on September 7. The comprehensive tariff schedule submitted in connection with the taxation proposals embodied additional duties on a number of items, and also incorporated Tariff Board decisions submitted to the Commonwealth Government over the past few months. (See *Commercial Intelligence Journal* No. 1859, of September 16, 1939, page 562, and No. 1860, of September 23, page 608.)

The customs tariff proposals submitted affected 128 items, inclusive of supplementary tariff schedules tabled on September 13 and 14. Increases were proposed in the case of 14 items under the British preferential tariff, 23 under the intermediate tariff, and 24 under the general tariff. Reductions in duty were proposed in respect of 25 items under the British preferential tariff, 36 under the intermediate tariff, and 29 under the general tariff. The remaining items were introduced into the schedule to correct minor anomalies, or to amplify present items in the schedule by additional subdivisions.

ITEMS OF INTEREST TO CANADA

Probably the most important item to Canada affected was refrigerators. Under this heading the Commonwealth Tariff Board originally recommended certain fixed rates in accordance with cubic content. In the new schedule the Government decided that, owing to the large amount of capital invested and extensive employment in this industry, and the further fact that importers from foreign sources were displaying a tendency to increase existing fixed rates, these are to be retained with an alternative ad valorem rate of 75 per cent. The net effect of the Government's proposals on refrigerators is a reduction of 10 per cent ad valorem under the British preferential tariff on unassembled parts.

In other items of interest to Canada a slight increase is noted in the general tariff on gears for motor vehicles and on shock absorbers, while brake and

transmission linings "from Canada" are now subject to a duty of 25 per cent as compared with 35 per cent under the intermediate tariff and $42\frac{1}{2}$ per cent under the general tariff. Slight decreases are notified, however, on fractional horse-power motors, electrolytic condensers, motor car door locks, coil springs, and power-driven lawn mowers. The duty on all types of lawn mowers under the general tariff has been increased.

Certain piece-goods items were amended, including reductions in duties on wool tops, woollen yarns, and woollen piece-goods. It is of interest to note that the Government stated that the Australian woollen manufacturing industry is now sufficiently established to function with lower protective duties than at present recorded, although imported cloths under the new duties will still land at costs higher than the domestic selling prices of comparable materials of Australian manufacture. The recent establishment in Australia of mills for the spinning of cotton condenser and cotton coonada yarns for use in towel manufacture has resulted in the imposition of protective duties on these yarns. Correspondingly, an increase appears in the duties on towels to offset the higher duties on those condenser yarns required for the manufacture of coloured towels.

The duty on yarns for the manufacture of cordage and twines remain practically unaltered, although a reduction is made in the British preferential tariff rates on cotton yarns n.e.i., which yarns are used principally in knitting and weaving.

Owing to the revival of flax production in Australia and the interest displayed by local spinners of flax yarn, the range of flax yarns and threads subject to duty has been enlarged; but slight reductions are shown in jute yarn duties.

PROTECTION FOR SECONDARY INDUSTRIES

Several new secondary industries have also been granted tariff protection in this schedule, viz. water bore casings, tap wrenches, and certain types of stocks. Similarly, protective duties have now been imposed on tractor tires and tubes, and on tractor wheel centres whether imported with tractors or separately.

Small duty alterations—chiefly slight reductions—are made on petrol pumps, internal combustion engines exceeding 50 horse-power, belting, and cordage.

It is also of interest to note that special mention was made by the Minister for Trade and Customs regarding the protective duties on glucose and corn-flour. Local manufacturers were considered to be taking undue advantage of the present duties, and rates of duty were therefore reduced under the present schedule.

It was further contended by the Government that industries which have been assisted by high tariffs during early years of production should have acquired a standard of efficiency over the years to permit them, when fully established, to function satisfactorily under lower protective duties.

MISCELLANEOUS CHANGES

Other amendments affected certain classifications of lubricating mineral oils and petroleum and shale products; and there were adjustments of duties and increases in respect of cotton piece-goods—chiefly in connection with weights per square yard; on laundry machines (not household); and on metallic capsules for bottles. Decreased duties are shown with regard to hydro-extractors; wireless receiver parts and accessories such as rheostats, potentiometers, variable resistances, volume controls and tone controls; machinery such as boilers and auxiliaries for use in the construction of vessels (as prescribed by departmental by-laws); and vessels n.e.i., not exceeding 500 tons gross register.

A readjustment of paper and stationery items is noted in the elimination of the previous Item 334 (C) (2). Imports previously classified thereunder are now rearranged under Items 334 (F) (1), 334 (F) (2) (a), and 334 (F) (2) (b). (See *Commercial Intelligence Journal* No. 1862, of October 7, 1939, page 674.)

It is also notified that on and after December 7, 1940, "radiator assemblies when imported for use as original equipment" will be dutiable at a specific rate

of £1 5s. British preferential, £2 intermediate, and £2 general; while the rate applicable to this item from Canada (Canadian Preference Tariff) will be £1 12s. 6d. This item will, at the date above-mentioned, be known as Item 359 (J), to the exclusion of Item 359 (D) (4).

Full details of the above schedules may be obtained upon application to the Department of Trade and Commerce, Ottawa, quoting File No. 28455-B.

In general, Canadian products have not been seriously affected by the tariff amendments, but a number of changes in respect of intermediate and general tariff rates may be of interest to Canadian manufacturers from the standpoint of competitive prices.

TARIFF DECISIONS

Recent Australian tariff decisions as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Dynamos, and dynamo-magnetos built as one unit, 24-volt and under, of the types ordinarily used with motor vehicles, when for use with tractors, motor cycles and cycles; also electric starting motors of the same types and voltage, when for use with tractors or motor vehicles, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under Item 174).

Internal combustion marine engines (other than high-speed petrol engines) exceeding 25 h.p. but not exceeding 100 h.p., to be permanently installed in a boat for propulsion purposes, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under Item 178-I-3-b).

Bicycles with front wheels having rim diameter exceeding 16 inches and rear wheels having rim diameter less than 16 inches, are dutiable as bicycles not elsewhere included in the tariff, at 20s. each under British preferential tariff and 25s. each under general tariff, with alternative ad valorem duties, if higher, at 30 per cent and 50 per cent under respective tariffs. British preferential rates are reduced one-quarter or value for duty reduced one-eighth at present rate of exchange. (Item 353.)

Key blanks for use in the manufacture of keys for locks, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under Item 404).

Corrugated paper, with flat paper applied to the back, design printed, defined, in sheets or rolls, when under board weight, 15 per cent ad valorem under British preferential tariff, 30 per cent ad valorem under general tariff (Item 334-O-3).

Whiting, including paris white, for use in the manufacture of paints and putty, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under Item 404).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

British Guiana

IMPORT RESTRICTIONS UNDER DEFENCE REGULATIONS

An order of the Acting Governor of British Guiana, effective October 16, 1939, prohibits, except under special licence, the importation into British Guiana of motor vehicles and timber and lumber.

Leeward Islands

IMPORT RESTRICTIONS UNDER DEFENCE REGULATIONS

With reference to the announcement in *Commercial Intelligence Journal* No. 1863 (October 14, 1939), page 711, respecting import restrictions in the Leeward Islands, a notice published in the *Leeward Islands Gazette* of October 11, 1939, adds the following to the list of articles the importation of which is prohibited, except under special licence, from countries of which the currency is not based on sterling: flavouring extracts, lard and lard substitutes, condensed milk, radios and parts thereof, artificial silk and manufactures, and toilet preparations.

British Honduras

IMPORT RESTRICTIONS UNDER DEFENCE REGULATIONS

The British Honduras *Gazette* of September 19, 1939, announced prohibition of import, except under special licence, from all sources, of the following goods: aerated and mineral waters; live animals and birds for food; coffee, raw, ground or otherwise prepared; coffee substitute, extracts and essences; fish, canned or preserved in jars or bottles; fish, dried, salted, smoked or pickled; rice; Indian corn; beans and peas, whole and split and dhol; fresh vegetables; laundry soap.

Switzerland

IMPORT AND EXPORT CONTROL

Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, writes that by an order of the Swiss Federal Council of September 22, 1939, effective September 25, 1939, the importation and exportation of merchandise, also the use of imported merchandise, will be supervised by the State. The Department of Public Economy may, if necessary, prohibit the importation or exportation of merchandise or make this subject to a permit to be issued by them, in so far as the goods designated are not already covered by the existing quota regulations.

With the exception of some commodities, direct or indirect exportation of goods from Switzerland will now be subject to special permission.

Gold, pure or alloys, in bars, rolled sheet, plates, bands or coins (tariff items 869 a and d and 870), as well as Swiss and foreign means of payment (bank notes, drafts, cheques, etc.), and bonds, shares, coupons, etc., will be exempted from the provisions of the above-mentioned order.

Netherlands India

CONTROL OF EXPORTS

Mr. K. F. Noble, Acting Canadian Trade Commissioner at Singapore, advises that a Netherlands India law (Staatsblad No. 453 of 1939) controlling the export of essential products became effective on September 3, 1939. Foreign products with the exception of books, periodicals, printed material, engravings and paintings may not be re-exported, and 36 named groups of inland products may not be exported unless exemption is granted by the Director of Economic Affairs. Restricted exports include: preserved fish, potatoes, rice, maize, djarak kernels and oil, margarine and cooking oils, coal, cement, silver, iron, copper, lead, zinc-work, tinned iron scrap, sulphur, leather work, soap, drapers' goods excepting "batik," cotton yarns, vessels with mechanical power, motor vehicles, bicycles, rubber tires, gas masks, wound-dressing requisites, paints and ink, paper, iodine and its preparations, sulphuric and carbonic acid, oxygen, raw cotton, rope and rope-work, manure containing phosphates, coconut oil, and copra.

Venezuela

TARIFF REDUCTIONS: CORRECTION

With reference to the article in *Commercial Intelligence Journal* No. 1863 (October 14, 1939), page 715, respecting Venezuelan tariff reductions, which was based on telegraphic advice received by the Canadian Trade Commissioner in Panama, the text of the decree of September 11, 1939, making these reductions has now been received. According to the decree the new rate on wheat should be 0.22 bolivar per kilo (\$1.86 per bushel) instead of 0.11 bolivar and the rate on wheat flour 0.30 bolivar per kilo (\$8.30 per barrel) instead of 0.26 bolivar. The new rates are about one-quarter lower than those formerly in force.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 59, Hamilton District, 11-k.v. indoor switchgear (tenders close January 16, 1940); Section 62, Hamilton District, 22-k.v. switchgear (tenders close February 27, 1940); Section 37, Palmerston North, 11-k.v. switchgear (tenders close February 27, 1940); Section 47, Hamilton District, remote control equipment (tenders close February 13, 1940).

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Cuba, Dominican Republic, Puerto Rico, and Haiti

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, Cuba, writes under date October 7, 1939, that in none of these four countries are there any official exchange restrictions in force which affect the collection of bills drawn on importers therein by persons abroad.

Peru

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, October 18, 1939.—The Peruvian foreign exchange market continues to be free and no official exchange control is in effect. During the first part of the second quarter of the present year, the Peruvian sol weakened almost continuously. At times this made for short delays in the obtaining of foreign exchange requirements by commercial houses for other than small amounts.

The sol reached its lowest point for some years at 5.875 soles to the United States dollar on June 26 but, following a meeting of the local commercial banks, from that date forward showed a strong upward tendency. By the end of the second week in July the sol stood at 5.42 soles to the United States dollar. During the latter half of that month the supply of exchange was sufficient to meet all commercial demands, a situation which continued during the earlier part of August and resulted in a slight strengthening of the sol to a level of 5.35 soles.

Due to the expectation of war in Europe in the latter part of August, the outbreak of hostilities at the beginning of September, the adoption of measures in belligerent countries dealing with trade and foreign exchange, and the unsettled political situation in Peru, the money market in the republic again became unsettled. Although the United States dollar rate was set at 5.35 soles by the Banco Central de Reserva del Peru, the obtaining of foreign exchange through regular banking channels to meet commitments was difficult. As September advanced, a "black" market flourished despite regulations put into effect immediately upon the outbreak of war. Dollar sales were made in the street at rates ranging from 5.60 soles to 6.00 soles to the United States dollar. As United States exchange, except in very small amounts, was not obtainable through the local banks, this situation has continued up to the time of writing. There has been, perhaps, more widespread operation of the "black" market for dollars than for other currencies owing to the extreme uncertainty of supplies

from Europe and the necessity for the substitution of North American products in many lines despite higher costs. Consequently, the rates quoted for foreign exchange of all kinds by the "Superintendent of Banks" are merely nominal as practically all transactions are carried out with exchange obtained on the "black" market at higher rates than those quoted officially.

At the beginning of September a Bureau of Public Welfare was set up by the Peruvian Government. This Bureau, in addition to the main duties of social welfare and the control of prices within the republic, was empowered to regulate both imports and exports of "prime necessity and of prime materials, machinery and elements that can alter, prejudicial to the social interests, the equilibrium between production of stocks and consumption." While this Bureau has taken steps in connection with its main duties and also issued regulations concerning prices on some important articles, it has taken no action up to the present in connection with import or export control.

While business generally may be slowed up owing to the disarrangement of trade channels as a result of the war, which has brought about cautious buying on the part of importers, and apparently at the same time more stringent terms of payment by exporters abroad, there does not appear to be any shortage of exchange on the "black" market for normal requirements. The obtaining of exchange through normal banking sources, however, is practically out of the question. This applies more particularly to United States dollars than to European currencies.

In view of the general disarrangement of trade at present, it is recommended that Canadian exporters to Peru require payments to be made against documents either in Lima, in New York, or at Canadian points. The latter two alternatives are suggested on account of the difficulties in connection with making c.i.f. quotations under war time conditions, wherein rapid changes in freight and war risk insurance rates are to be anticipated. In connection with sales to well-established firms and in cases where the granting of terms has been customary, there is no reason why exporters should not continue on the same basis.

Thailand (Siam)

K. F. NOBLE, ACTING TRADE COMMISSIONER

Singapore, September 18, 1939.—With the purpose of conserving her currency reserves Thailand (Siam) has introduced exchange control regulations which have become effective as from September 7. Specifically, the Ministry of Finance has provided that the importation of foreign exchange on and after this date shall be subject to prior issuance of import permit.

Banks authorized under the Control of Banking Act, B.E. 2480, to transact exchange operations must make application to the Ministry of Finance in connection with all transactions, supplying particulars as to the kind of currency offered, the amount, and the approximate time of arrival. If acceptable to the Ministry, approval to import will be granted subject to the proviso that the permit remains effective for a period not to exceed 180 days.

Private individuals wishing to import foreign currency must make similar application for permit stating (1) the purpose of the proposed importation of the foreign currency, (2) the kind of currency, (3) the amount to be imported, (4) approximate time of arrival of such currency, and (5) the port of arrival.

Importation of foreign currency for personal use in the sum not exceeding 1,000 ticals, at the rate of exchange ruling on the date of arrival, is permitted travellers without authorization from the Ministry of Finance.

In an amplifying notice the Ministry of Finance has explained that the Act controls the importation of foreign currency only, i.e. coins and currency notes, and does not affect cheques or letters of credit brought into the country from abroad.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 30, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 30, 1939, and for the week ending Monday, October 23, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 23	Nominal Quotations in Montreal Week ending Oct. 30	Official Bank Rate
Belgium	Belga	.1001	\$.1862	\$.1845	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2142	5½
Finland	Markka	.0252	.0211	.0211	4
France	Franc	.0392	.0252	.0251	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0081	.0081	6
Holland	Guilder	.4020	.5892	.5892	3
Hungary	Pengo	.1749	.3275	.3275	4
Italy	Lira	.0526	.0561	.0559	4½
Yugoslavia	Dinar	.0176	.0259	.0259	5
Norway	Krone	.2680	.2521	.2520	4½
Portugal	Escudo	.0442	.0404	.0403	4-4½
Roumania	Leu	.0060	.0084	.0084	3½
Spain	Peseta	.1930	.1129	.1129	5
Sweden	Krona	.2680	.2642	.2642	2½
Switzerland	Franc	.1930	.2489	.2488	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2276	.2278	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0252	.0251	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0252	.0251	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso	.4245	.9313	.9304	3½
	Unofficial		.2609	.2597	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Unofficial		.0563	.0563	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	—
	Unofficial		.0444	.0444	3-4½
Colombia	Peso	.9733	.6343	.6343	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
South Africa	Pound	4.8666	4.4700	4.4700	3½
Egypt	Pound (100 Piastres)	4.9431	4.5620	4.5400	—
China (Shanghai)	Dollar	.....	.0822	.0957	—
Hongkong	Dollar	.....	.2775	.2772	—
India	Rupee	.3650	.3365	.3359	3
Japan	Yen	.4985	.2611	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	4.0740	4.0620	—
Straits Settlements	Dollar	.5678	.5218	.5208	—
Australia	Pound	4.8666	3.57½	3.57½	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

In a week of quiet trading sterling free rates dropped 1½ cent at New York to \$3.99½ on October 30. During the same interval Canadian funds eased ¼ cent to 89½ cents. A second reduction within a month was announced in the Bank of England's rediscount rate on October 26, the new rate being 2 per cent as compared with 3 per cent formerly. At Montreal Belgian belgas, which were the weakest of the neutral European units, dropped 17 points to 18.45 cents between October 23 and 30. Dutch florins were unchanged at 58.92 cents, while Swiss francs were down 1 at 24.88 cents. French francs also closed 1 point lower at 2.51 cents. Rates on the Japanese yen, whose tie with sterling was recently severed and linked to the United States dollar, declined 9 points during the week to 26.02 cents. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds were unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Silk Piece-goods and Printed Cotton Fabrics.....	464	Dunedin, New Zealand....	Purchase.
Soothing Teats and Feeding Bottle Nipples.....	465	Birmingham, England....	Purchase.
Drugs and Pharmaceutical Chemicals.....	466	Havana, Cuba.....	Agency.
Paper Apple Wraps.....	467	Worcester, England.....	Purchase.
Hurricane Lanterns.....	468	Birmingham, England....	Purchase.
Box Shooks.....	469	Bristol, England.....	Purchase and Agency.
Logs.....	470	Bristol, England.....	Purchase and Agency.
Electric Cables.....	471	Sydney, Australia.....	Agency.
Slow-combustion Heaters.....	472	Sydney, Australia.....	Agency.
Central Heating Equipment....	473	Sydney, Australia.....	Agency.

LIST OF PUBLICATIONS OF THE IMPERIAL ECONOMIC COMMITTEE

Report No.

I. REPORTS TO GOVERNMENTS

1. General (1925)	9d.	(10d.)
3. Fruit (1926)	4s. 6d.	(4s. 10d.)
4. Dairy Produce (1926)	1s. 0d.	(1s. 2d.)
5. Fish (1927)	6d.	(8d.)
6. Poultry and Eggs (1927).....	1s. 9d.	(1s. 2d.)
7. Honey (1927)	6d.	(7d.)
8. Functions and Work of the Committee (1927).....	9d.	(10d.)
9. Tobacco (1928)	9d.	(10d.)
10. Timber (1928)	6d.	(8d.)
11. Trade in Agricultural Machinery (Survey) (1928).....	6d.	(8d.)
12. Pigs and Pig Products (1929)	6d.	(7d.)
13. Trade of the British Empire (Memorandum) (1929).....	6d.	(8d.)
14. Trade in Rubber Manufactured Goods (Survey) (1929)	6d.	(7d.)
16. Hides and Skins (1930)	6d.	(7d.)
17. Progress Report (1930)	6d.	(8d.)
18. Tea (1931)	6d.	(8d.)
19. Coffee (1931)	6d.	(8d.)
20. Wheat Situation, 1931 (Survey)	6d.	(7d.)
21. Imperial Industrial Co-operation (1932)	6d.	(8d.)
22. Cocoa (1932)	6d.	(8d.)
23. Wine (1932)	6d.	(8d.)
24. Hemp Fibres (1932)	6d.	(7d.)
26. Constitution and Work of the Committee (1932).....	1s. 0d.	(1s. 2d.)
27. Grassland Seeds (1934)	1s. 0d.	(1s. 2d.)
28. Maize (1934)	2s. 6d.	(2s. 8d.)
29. Trade in Electrical Machinery and Apparatus (1936).....	2s. 6d.	(2s. 9d.)
30. Survey of the Trade in Motor Vehicles (1936)	2s. 0d.	(2s. 2d.)
31. Tobacco (1938)	2s. 6d.	(2s. 9d.)
32. Survey of the Trade in Canned Food (1939).....		

The fifteenth and twenty-fifth reports are confidential and have not been published; the second report is out of print.

II. SURVEYS OF WORLD PRODUCTION AND TRADE

Cattle and Beef (1934)	5s. 0d.	(5s. 6d.)
Ground Nut Products (1934)	4s. 0d.	(4s. 6d.)
Mutton and Lamb (1935)	4s. 0d.	(4s. 6d.)
World Consumption of Wool, 1928-35 (1936)	4s. 0d.	(4s. 6d.)
Apples and Pears (1938)	4s. 0d.	(4s. 6d.)

III. COMMODITY SERIES

The publications in this series, which will be revised annually, give in summary form the chief statistical data of world production and trade for the commodities concerned.

Meat	2s. 6d.	(2s. 8d.)
Fruit	2s. 6d.	(2s. 8d.)
Grain Crops	2s. 6d.	(2s. 8d.)
Industrial Fibres	2s. 6d.	(2s. 9d.)
Plantation Crops	2s. 6d.	(2s. 9d.)
Vegetable Oils and Oilseeds	2s. 6d.	(2s. 8d.)
Dairy Produce	2s. 6d.	(2s. 8d.)

IV. INTELLIGENCE SERVICES

Annual Sub. (Post Free)

1. Periodicals:—

	Surface Mail	Air Mail†
*Dairy Produce Notes (Weekly)	£2 0s.	£2 14s.
*Fruit Intelligence Notes (Weekly)	£2 0s.	£2 19s.
Canned and Dried Fruit Notes (Monthly)	£1 0s.	£1 6s.‡
Weekly Arrivals of Canned Fruits and Tomato Products....	£1 0s.	£1 6s.
Wool Intelligence Notes (Monthly)	£0 10s.	£0 15s.
Tobacco Intelligence (Quarterly with Monthly Supplement)....		

* Reduced rates are applicable to producers and producers' organizations within the Empire. † To certain Empire countries only. ‡ Weekly supplement by surface mail. Intending subscribers should apply to the Secretary, Imperial Economic Committee, 2, Queen Anne's Gate Buildings, Dartmouth Street, London, S.W. 1.

2. Annual Reviews:—

These are free to subscribers to the respective Intelligence Services. Non-subscribers can obtain copies from the addresses given below, at the prices listed.

Fruit Supplies	2s. 6d.	(2s. 10d.)
Dairy Produce Supplies	2s. 6d.	(2s. 11d.)
Supplies of Canned and Dried Fruit.....	2s. 6d.	(2s. 9d.)
Wool Production and Trade	2s. 6d.	(2s. 9d.)
World Consumption of Wool, 1938.....	2s. 6d.	(2s. 11d.)

V. MISCELLANEOUS

Annual Report (1937-38).....	6d.	(7d.)
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An Index of Minor Forest Products of the Empire (1936).....	5s. 0d.	(5s. 3d.)
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The Reports, Surveys, Commodity Series, and Annual Reviews, can be obtained from H.M. Stationery Office, York House, Kingsway, London W.C. 2 (and branches), or direct from the Secretary, Imperial Economic Committee, 2, Queen Anne's Gate Buildings, London, S.W. 1. All prices are net; those in parentheses include postage.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxembourg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

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London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

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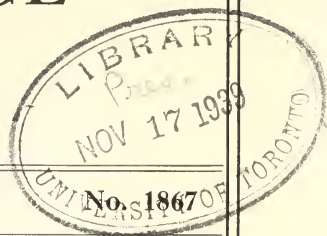
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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL



Vol. LXI

Ottawa, November 11, 1939



Shipment of Canadian Pig Lead in Warehouse at Rio de Janeiro, Brazil

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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Ottawa, November 11, 1939

No. 1867

TIMBER TRADE CONTROL IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, October 17, 1939.—Immediately on the declaration of a state of war on September 3, the United Kingdom Government, through the Ministry of Supply, instituted control over the timber trade. Control was placed in the hands of the Timber Control Department, with headquarters in Bristol and area officers in Newcastle-on-Tyne, Hull, Nottingham, King's Lynn, London, Southampton, Plymouth, Bristol, Liverpool, Birmingham, Belfast, Glasgow, Edinburgh, Dundee, Aberdeen, Inverness, and Cardiff.

The general organization consists of a central controller, with each department under a deputy controller, and each branch under an assistant controller, as shown below:—

Dept. I: Imported Timber

Branch 1: Overseas Purchases

- (a) Softwoods
- (b) Hardwoods
- (c) Pitwood
- (d) Plywood

Branch 2: Importation

Dept. II: Home-grown Timber

(Forestry Commission)

Dept. III: Requirements, Distribution, etc.

- Branch 7: Stocks and Transport
- Branch 8: Price Control and Rationing
- Branch 9: Promotion of Economy

Dept. IV: Finance

EFFECT ON CANADIAN EXPORTS

Before proceeding with further details of the organization of the timber trade, as developed to meet war conditions, it may be observed that Canadian export of timber to this market is in general on very much the same basis as in peace time. Offers are made by the exporter through his agent as usual, but are placed by the agent directly before the Timber Control Department of the Ministry of Supply, which is the sole buyer. The Control buy on a f.a.s. basis. Chartering is arranged in London by the Control in co-operation with the newly instituted Ministry of Shipping. Deliveries therefore are taken at Canadian ports in ships at the disposition of the Control. Distribution in the United Kingdom is directed by the Control.

For the general information of Canadian exporters of timber and certain classes of wood products, the developments in organization up to the time of writing have been summarized in this report. It will be appreciated that modification of this organization, developed during recent weeks, may be anticipated as and when conditions warrant such change.

GOVERNMENT REGULATIONS

Statutory Rules and Orders 1939, No. 1031, contained Control of Timber (No. 1) Order and was dated September 1. This order provided that not more than 10 per cent of the supplies held by any person at the outbreak of war could be sold; exceptions were made to cover dealers, civil defence, government

purchases, and small quantities. It was further provided that only agents or brokers, civil defence authorities, and direct consumers should buy or sell timber situate in the United Kingdom. Provision was made for complete returns of stocks and business done to be submitted to the Government as and when required; this covered timber or boxboards outside as well as inside the United Kingdom. Maximum prices to the consumer were set on all classes of timber in the country or en route.

A few days later the Board of Trade issued Import Prohibition (No. 1) Order, dated September 5, which provides for the licensing and, in some cases, prohibition of the importation of a great variety of goods, including certain classes of timber. The same general regulations, published in *Commercial Intelligence Journal* No. 1859 (September 16, 1939), page 521, are applicable to these classes of timber as to other commodities. The specific classes regulated are repeated below:—

Manufactures of Wood and Timber:—

Builders' woodwork, including hewn, sawn, planed or dressed wood and timber other than the following:—

- (i) Square, cut planed or dressed wood or timber not further prepared than rebated, tongued and grooved along the sides, and V-jointed (other than centre V-jointed).
- (ii) Hewn, sawn and planed softwood, not further prepared or manufactured except as detailed below:—
 - (a) Softwood weather boards, floorings and matchings, planed on one or more sides, with or without profiling on one or more sides.
 - (b) Softwood skirtings with board and profile in one piece.
 - (c) Softwood boards which are tongued, grooved, beaded, V-jointed, rebated, chamfered, centre beaded, centre V-jointed or round-edged; if profile, the board and profile to be in one piece.

Articles manufactured wholly or partly of wood:—

*Furniture and cabinet ware.

*Beadings and mouldings (including mouldings for picture frames, gilt or not).

Trunk and suitcase hoops.

*Domestic woodware (bread platters, trays, pastry-boards, wash-boards, spoons and forks, clothes pegs, skewers and the like).

Wooden containers (boxes, barrels, etc.) complete, other than such articles in use at the time of importation as carriers of goods.

Parts of wooden containers, other than cask heads consisting of a single circular sheet of wood, wooden sections of cask heads not dowel-holed or pegged, cask hoops, wood bungs and staves.

*Wooden heels.

*No licences will be issued for the import of these goods until further notice.

To date the only change affecting the above ruling is contained in Import Licensing Order No. 2, dated September 28, which permits, under Open General Licence, the importation of "brooms and brushes (not being brushes designed for use solely as parts of machinery) and parts thereof"; this ruling permits the free entry of broom handles from Empire countries.

No. 2 Order amended No. 1 Order by the inclusion in the second schedule of maximum prices to the consumer for the sale of imported mining timber.

No. 3 Order further amended Order No. 1 by providing that on and from September 15 sales or purchases of timber for consumption must not exceed 15 per cent (i.e. 5 per cent in addition to the 10 per cent allowed by Article 1 of No. 1 Order) of stock in the hands of merchants on September 1 or coming into their possession after that date.

No. 4 Order provides that on and from September 16 no person in the United Kingdom shall buy any timber or box-boards situate outside the United Kingdom except under licence from the Ministry of Supply. This ruling does not affect contracts in writing entered into before the date of the Order. Applications for licences are to be addressed to the Controller of Timber Supplies at Bristol. Subsequently it was officially announced in the press that, as a

general principle, all purchases of timber from overseas will, as from September 16, be carried out by the Timber Control and that only in the most exceptional circumstances will licences be granted to private traders to make further purchases from overseas.

The second or licensing stage of control came into force with No. 5 Order, issued under date September 30, which announced that the restrictions on dealings in timber imposed by No. 1 Order (amended by No. 3 Order) were revoked on and from October 4. A new licensing system was promulgated under which every purchaser of timber or boxboards for consumption must have a licence (except in cases of small orders not over £1 in value or orders totalling up to £20 in value per month, and direct purchases by the Government), and the seller has to see that his purchaser duly holds such a licence. The licensing system is operated by the Timber Control area officers except for mining timber, which is dealt with by the Timber Control Pitwood district officers.

It further provided that no person who has acquired any timber or boxboards otherwise than for consumption shall consume such material without the permission of the Ministry of Supply. Neither shall such material acquired by virtue of licence or declaration be used for other than the original purpose except with permission.

It is specifically stated that Order No. 5 applies only to timber and boxboards situate in the United Kingdom.

RETURNS OF STOCKS IN THE UNITED KINGDOM

As noted above, Article 5 of Order No. 1 provides that every person owning timber situate in the United Kingdom shall furnish such returns as the Ministry of Supply may request. On October 9 the Minister requested that all holders of stocks exceeding 100 standards of imported softwoods, 5,000 cubic feet of imported hardwoods, 2,000 cubic feet of home-grown timber or 2,000 cubic feet of plywood should furnish a return (as at October 7) on or before October 12. Separate returns must be made in respect of stock stored in each of the seventeen areas of the Timber Control organization. Separate forms are required to cover each of a number of classes of timber, as also goods on passage, goods loading or due to load and forward contracts.

MEASURES IN THE TRADE

On the outbreak of war the Timber Trade Federation set up a special emergency committee, representative of every branch of the trade, to deal with questions affecting the timber business. Groups were chosen to represent importers; agents; merchants; sawmills (domestic); domestic timber producers and landowners in the sawn softwood division; agents and importers of hardwoods; importers, agents, domestic suppliers and collieries in the pitwood division; railway-tie importers; and plywood importers and agents. In addition a committee was selected to represent importers and agents of Canadian supplies, and on this committee Canadian shippers' interests are represented by the Timber Commissioners for British Columbia and Eastern Canada.

The object of the trade is to maintain the peace-time organization of business as far as possible, thus providing for the continuity of supplies after the cessation of hostilities as well as assisting under war conditions. In addition it is felt that, as importers have developed close contacts with exporters in Canada, they can obtain offers and refer them to the Control more readily even than the Control may be able to obtain them from Canada.

In a statement to the press, the Timber Controller indicated that it is the intention of the Government to assist, as far as circumstances permit, the maintenance of individual businesses with a view to the resumption of normal

trading at the close of hostilities. As far as practicable the timber imported by the Control will be distributed through importers and merchants under a system of trading quotas based on business operations prior to the outbreak of hostilities. In addition, subject to considerations of safety and practicability, it is intended that national stocks which require storing will be stored in the yards of importers and merchants, who will be acting as wharfingers and warehousemen for the Government. Similarly with regard to the agency and brokerage side of the trade, it is the general policy of the Government that buying operations should continue to be conducted through the usual channels.

WARTIME SHIPMENTS: PROCEDURE TO AVOID DELAYS

Canadian exporters are naturally anxious to take all possible steps to avoid delays and inconveniences arising out of the operations of the blockade. In this connection the United Kingdom Ministry of Economic Warfare has advised as follows:—

It is most desirable that all documents should be made by the named consignor to the named consignee and not to order. Consignees themselves should make a declaration to the effect that neither the consignments nor any product thereof will be exported to Germany. Consignees themselves will not always have the handling of the product of consignment; in this case it will be necessary for them to declare that they will obtain a declaration on the above lines from the persons who will in fact handle the product. At the moment this is the only procedure which can be adopted by shippers to avoid delays. It would be of the greatest assistance if the shipping company would furnish the Ministry in advance with a fully completed copy of the manifest.

(See also "Wartime Shipments: Contraband Control," page 892.)

DISPLACEMENT OF GERMAN TRADE IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Port of Spain, October 20, 1939.—Prior to the present war, Germany was the accepted source of supply for cheap enamelware, glassware, and other hardware and household sundries which met the requirements of the coloured labouring classes in this territory. Drugs and small, low-priced motor cars from Germany also had widespread distribution.

Trinidad, because of the more varied nature of its activities, imported a much larger range of products than the other colonies. In 1938 imports from Germany into Trinidad amounted in value to \$1,333,251 or to 3.6 per cent of the value of Trinidad's total imports.

The two remaining important markets for German products, Barbados and British Guiana, received imports from Germany to the value of \$303,931 and \$173,363 respectively, or 3 per cent and 1.6 per cent of their total import trades.

Trinidad oilfield requirements in 1938 were responsible for imports from Germany of tubes, pipes, and fittings over 6 inches in diameter to the value of \$283,969; barytes, \$267,509; and tubes, pipes, and fittings under 6 inches in diameter, \$150,116. In addition, there were imported unclassified iron and steel manufactures, \$45,137; unclassified machines and machinery, \$44,589; and cement, \$30,364. These items, together with potash fertilizer to the value of \$204,297, imported into Barbados during the same period, formed the outstanding imports from Germany.

PRINCIPAL IMPORTS FROM GERMANY

The value of the principal products imported into this territory from Germany in 1938, together with comparative figures of total imports of these products, are shown in the following table:—

Principal Products Imported from Germany in 1938

	Trinidad		Barbados		British Guiana		Northern Islands	
	Total Imports	From Germany	Total Imports	From Germany	Total Imports	From Germany	Total Imports	From Germany
Total..	\$35,497 121	\$1,333 251	\$10,017 124	\$303 931	\$10,815 170	\$173,363	.....	.....
Artificial silk piece-goods..	382 842	21,954	94,238	4,368	202,315	1,322	.....	.....
Toys, all kinds	39 522	8,076	7 852	1,728	27,441	4,009	\$ 9,456	\$ 1 321
Tiles	25,166	8 625	10,569	1,132	.....	.....	.....	.....
Pott'ry and clay products	52 006	9 365	25 646	3,244	25,615	2,772	18,580	1,920
Oil lamp chimneys	7 886	7,422	.....	.....	.....	.....	.....	.....
Plain table glassware.. . .	14,957	12,436	15,052	3,950	.....	.....	.....	.....
Ornamented glassware.. . .	37,447	13,557	.....	.....	.....	.....	.....	.....
Glass bottles and jars.. . .	38,203	15,574	.....	.....	31,237	12,110	26,184	9,004
Cement	751,480	30,364	63,825	62	.....	.....	.....	.....
Steel hoops and strips, other than baling and barrel..	25,331	21,174	.....	.....	.....	.....	.....	.....
Tubes, pipes and fittings up to 6 in. diameter.. . .	2,150,276	150,116	.....	.....	.....	.....	.....	.....
Tubes, pipes and fittings over 6 in. diameter	1,809,345	283,969	.....	.....	.....	.....	.....	.....
Domestic and sanitary hollow-ware	105,551	9,764	.....	.....	.....	.....	.....	.....
Hollow-ware for household and industrial use.. . . .	86,294	44 5 6	16,776	5,993	37,765	14,575	6,643	5,349
Manufactures of iron and steel n.o.p.	750,154	45,137	141,691	2,976	50,397	303	28,771	273
Manufactures of aluminium other than hollow-ware..	14,983	7,383	.....	.....	4,095	719	.....	.....
Manufactures of brass and alloys of copper n.o.p..	216,126	9,792	13,708	2,400	11,745	281	.....	.....
Hardware other than hollow-ware	128 9 7	13 871	94 492	7,176	56,139	14,557	89,236	6 768
Cutlery..	14 417	4,372	7,425	1,161	13,209	6,325	6 244	1,699
Artisans' tools	108 274	6,566	.....	.....	.....	.....	24,993	571
Clocks	10,824	5,292	*3,441	1,569	4,669	1,590	3,014	1,531
Electric light appliances n.o.p.	34,330	6 388	.....	.....	.....	.....	.....	.....
Sewing machines	71,021	7 0 6	6,542	1,910	42,370	1,784	7,880	1,190
Machines and machinery n.o.p..	1,393,124	44,589	.....	.....	112,322	4,752	.....	.....
Wooden furniture, etc. . .	106 832	8,322	32,587	417	23 785	1,470	25,488	470
Chemicals	350 305	31,921	.....	.....	69,496	1,066	.....	.....
Proprietary medicines and drugs	174 443	5,755	114,974	3,105	156,274	10,747	88,406	1,209
Barytes..	427,754	267,599	.....	.....	.....	.....	.....	.....
Lubricating oil	191,739	8,765	48 667	1,468	68,115	2,620	.....	.....
Motor cars not exceeding 3,000 lbs. in weight.. . .	399,894	20 490	263,980	11,227	157,727	15,529	91,627	4,483
Parts for cycles.. . . .	36,518	8,009	.....	.....	27,841	6,041	.....	.....
Sulphate of potash.. . . .	18,701	14,606	217,339	204,297	.....	.....	1159,321	15 657
Haberdashery	2,916	491	17,827	801	6,318	90	40,358	1,099
Musical instruments	2 985	658	27 666	585	19,439	1,327	5,001	398
Paper, other than printing	232,477	6 554	116 040	3,931	196,158	2,054	47,332	491
Stones and slates	1 609	95	384	24	.....	.....	1,094	882
Cotton piece-goods	462,572	2,613	386,011	1,032	624,026	1,527	436,344	292
Cotton, other kinds	24 826	81	281,201	619	1 8 960	1,001	102,849	926
Beer and ale..	128 706	2 3 3	63,729	1,096	176,181	1,234	4,512	259

* Clocks, watches and parts. † Motor cars, lorries and vans. ‡ Manufactured manures.

OTHER IMPORTS FROM GERMANY EXCEEDING \$1,000 IN VALUE

Following are lists of other items imported from Germany into the three principal markets in 1938 to a value exceeding \$1,000, showing the value of imports of each from Germany and within parentheses the value of total imports:—

Trinidad.—Iron and steel domestic and sanitary goods, \$9,764 (\$105,551); perfumed spirits, \$2,905 (\$26,583); stationery other than paper, \$2,848 (\$52,885); sanitary ware, \$1,316 (\$33,692); scientific glass and glassware, \$2,108 (\$15,663); sheet window glass, \$4,241 (\$13,758); bottles and jars other than for wine, spirits, etc., \$3,420 (\$12,541); iron and steel bars and rods, \$1,220 (\$97,242); bolts and nuts, \$5,506 (\$66,294); iron and steel manufactures n.o.p., \$45,137 (\$750 154); razor blades, \$2,158 (\$6,672); scientific instruments n.o.p., \$2,795 (\$85,960); watches, \$1,722 (\$8,474); electrical goods n.o.p., \$3,736 (\$249,191); office machinery other than typewriters, \$1,390 (\$19,576); internal combustion marine engines, \$3,027 (\$59,461); printing and bookbinding machinery, \$1,028 (\$14,179); machinery and machines n.o.p., \$14,589

(\$1,393,124); manufactures of wood n.o.p., \$1,647 (\$37,952); apparel n.o.p., \$1,139 (\$36,298); unglazed wrapping paper, \$4,197 (\$103,590); glazed paper, \$1,957 (\$3,922); cardboard, \$2,541 (\$21,757); engine parts, \$2,585 (\$142,811); printed books, \$5,048 (\$155,691); toilet brushes, \$1,067 (\$15,783); basic slag fertilizer, \$2,045 (\$3,129); hard haberdashery, \$1,640 (\$28,249); gold, platinum and silver jewellery, \$1,927 (\$3,961); lamps and lanterns, \$10,477 (\$18,299); rails, \$2,055 (\$63,014); metal furniture, \$2,151 (\$199,780); medicines and drugs n.o.p., \$2,212 (\$39,301); locomotives, \$8,383 (\$143,127); manufactured goods n.o.p., \$27,473 (\$205,759); implements and tools, \$1,940 (\$207,530); paper manufactures n.o.p., \$2,214 (\$130,774); metal-working machine tools, \$1,409 (\$57,856); and rubber manufactures, \$1,855 (\$85,954).

Barbados.—Beans and peas, \$5,841 (\$63,177); metal furniture, \$1,982 (\$71,126); motor car parts, \$1,929 (\$62,155); lubricating oil, \$1,468 (\$48,667); printing paper, \$1,752 (\$29,174); wrapping paper, \$1,857 (\$54,820); perfumery and cosmetics, \$2,448 (\$43,507); manufactures n.o.p., \$2,822 (\$53,620); metal furniture, \$1,982 (\$71,126).

British Guiana.—Nails and spikes, \$3,820 (\$29,866); tin and manufactures of tin, \$1,804 (\$13,761); implements and tools other than agricultural, \$2,736 (\$64,724); scientific appliances, \$1,181 (\$14,844); watches, \$1,040 (\$4,487); railway and tram parts, \$1,817 (\$46,228); motor car parts, \$1,860 (\$37,203); hard haberdashery, \$3,388 (\$23,838); perfumed spirits, \$1,195 (\$12,537); stationery other than paper, \$1,762 (\$30,445); manufactures n.o.p., \$9,622 (\$116,488); glass and glassware, other kinds, \$1,968 (\$13,080); articles bearing advertising device, \$4,333 (\$41,715).

IMPORTS FROM CZECHO-SLOVAKIA AND POLAND

Under existing conditions, imports from Czecho-Slovakia and Poland have also been stopped by the war.

Trinidad's imports from Czecho-Slovakia in 1938 amounted to \$161,322 and consisted mainly of pipes, tubes, and fittings over 6 inches in diameter, \$36,018 (total import value \$1,809,345); tubes, pipes, and fittings under 6 inches in diameter, \$15,874 (\$2,150,276); artificial silk piece-goods, \$23,296 (\$382,842); leather boots and shoes, \$23,204 (\$437,110); canvas shoes with rubber soles, \$16,654 (\$101,341). Other imports from Czecho-Slovakia exceeding \$1,000 in value were: chinaware and pottery, \$1,422; ornamented glassware, \$3,249; bottles and jars, \$2,403; metal furniture, \$1,250; hollow-ware, \$3,550; machine tools, \$2,578; wooden furniture, \$1,984; outer tires, \$2,756; cheap metal jewellery, \$3,689; leather polishes, \$1,269; toys and games, \$1,647.

Barbados imports from Czecho-Slovakia in 1938 amounted to \$27,081 and those of British Guiana to \$38,572.

The principal items imported into Barbados were: artificial silk manufactures, \$6,657 (\$131,788); motor cars and trucks, \$4,238 (\$42,216); leather boots and shoes, \$3,600 (\$132,907); canvas shoes with rubber soles, \$2,107 (\$36,954); glass and glassware, \$2,438 (\$15,052); and matches, \$1,440 (\$23,054).

British Guiana's principal imports from Czecho-Slovakia were: canvas shoes with rubber soles, \$9,621 (\$83,664); shoes, other kinds, \$3,483 (\$200,798); hard haberdashery, \$3,871 (\$23,838); glass and glassware, \$1,779 (\$31,237).

Imports into the other island markets were of minor value.

The only important product imported into this territory from Poland in 1938 was bentwood furniture. Imports of this item into Trinidad amounted to \$50,161 (\$106,832); into Barbados, \$2,044 (\$32,587); and into British Guiana, \$6,340 (\$23,785).

PROSPECTS FOR CANADIAN TRADE

It cannot be assumed that the stoppage of the imports listed would alone provide any marked opportunities for sales of Canadian manufactures in this territory, but their stoppage, together with the uncertainty of deliveries from the United Kingdom and continental sources, and with the high premium on United States exchange, does contribute to an increasing interest in Canada as a source of supply of many products formerly obtained elsewhere.

Barytes, formerly obtained in large quantities from Germany for the Trinidad oilfields, has been the subject of frequent inquiry, and recently a trial shipment from Canada was arranged. Cement is being ordered in larger quantities from Canada, while chemical fertilizer such as caustic potash, imported into Barbados, is needed if Canada is in a position to supply.

The shift in import sources is modified to a large extent by the import control policy of the British Colonial authorities of curtailing the importation of products deemed non-essential and encouraging purchases in countries whose currency is on a sterling basis in order to conserve exchange. For this reason, it is not possible to indicate in detail the products which are likely to be imported from Canada due to the stopping of supplies from Germany and elsewhere.

CHANGE IN ADDRESS OF CAPE TOWN OFFICE

Effective December 1 next, the office of the Canadian Trade Commissioner at Cape Town (whose territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar) will be moved from Cleghorn & Harris Building, Adderley Street, to New South African Mutual Buildings, 17 Parliament Street. The postal address will remain unchanged, viz., P.O. Box 683.

CATALOGUES WANTED FOR CAPE TOWN OFFICE

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, is anxious to receive catalogues and descriptive literature from any Canadian manufacturers or exporters who are interested in the South African market.

Since the outbreak of war sources of supply of competing products in Europe are no longer open, and many South African importers are desirous of ascertaining to what extent similar goods can be obtained in Canada.

The address of the Canadian Trade Commissioner for letters is P.O. Box 683, Cape Town.

WHEAT AND FLOUR TRADE REGULATION IN NORWAY

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Oslo, September 30, 1939.—Norway is a large importer of wheat, considering its relatively small population, since annual consumption ranges between 225,000 and 250,000 metric tons (of 2,204 pounds) for a population of some 2,800,000 people.

Domestic production meets nearly one-third of the country's consumption requirements; the other two-thirds must, therefore, be imported. These imports, which have averaged 166,000 tons a year for the last six years, have come mainly from North and South American countries. For the last four years Canada has supplied the bulk of Norway's imports of wheat and flour, amounting on an average to 54 per cent of total imports of wheat and 52 per cent of the total for flour.

In view of the conditions briefly outlined above, exports of wheat and flour from Norway are almost negligible. Only 45 tons of wheat flour were exported under licence in 1937 to neighbouring countries, increasing in 1938 to some 200 tons, including re-exports.

STATE GRAIN MONOPOLY

Norway's trade in wheat and flour is carried on by the State Grain Monopoly, whose functions are (1) to import from abroad such quantities of grain and flour as are necessary to meet the requirements of the country, (2) to buy all home-grown grain offered for sale by the growers, and (3) to sell the products to domestic consumers at the lowest possible price.

As stated above, one of the functions of the Norwegian Grain Monopoly is to purchase all home-grown bread grain offered for sale by the growers, and it is by law obliged to do so, providing the grain is fit for human consumption. In making these purchases the Monopoly endeavours to pay the farmer as high a price as possible for his grain without raising the price of flour.

BUYING DOMESTIC GRAINS

The buying of home-grown grain is conducted by a corps of about eighty local collectors, who work for the Monopoly on a commission basis. These collectors receive statements from the farmers as to quality and quantity, make out contracts and report weekly to the Monopoly. Instructions as to inspection and shipment of the grain are regularly furnished by the Monopoly, and payment is made direct to the farmers by this organization.

The Grain Law provides that domestic wheat, rye, and barley shall be purchased at prices based on the Monopoly's selling prices of grain products—that is to say, the prices of flour converted into grain, milling expenses and the price of mill-feeds being deducted. As all selling prices of flour are based on c.i.f. delivery to steamships and railway stations, these prices include the average freight expenses, which are also included in the buying prices for home-grown grain, thus making these grain prices correspondingly higher than the prices of imported grain.

WHEAT PRICES AND SUBSIDIES

Norwegian farmers are guaranteed a minimum price of 22 to 24 öre per kilo (2·2 pounds) for wheat (without bags), which amounts to from \$1.50 to \$1.64 per bushel in Canadian currency. The Government has authorized the Monopoly to pay at least that price for domestic wheat regardless of the selling price of flour, and the Government reimburses the Monopoly out of treasury funds for all such emergency payments made to farmers to bring the price up to the guaranteed minimum.

During the years 1929 to 1934 inclusive, the Monopoly paid on an average 5·37 kroner per 100 kilos (about 37 cents per bushel) above the ordinary c.i.f. price for imported wheat. The actual present price for domestic wheat (without bags) is 24·50 kroner per 100 kilos (about \$1.69½ per bushel). That was the price paid for domestic wheat (without bags) a year ago, and has prevailed since.

PURCHASES IN OUTLYING DISTRICTS

In previous years the Monopoly has found it inconvenient and difficult to handle all the bread grain produced in the country. Many outlying districts are difficult of access and are far removed from the large mills. Growers in such districts were being encouraged to haul their grain direct to the local country mills, where it was ground for their use at a fixed milling charge. This relieved the Monopoly of the trouble and expense of handling grain from inaccessible districts, but growers in these districts were nevertheless entitled to the same subsidy as they would have received had they sold their grain to the Monopoly. In order to compensate them the Monopoly paid the growers 4 kroner (about \$1) for every hundred kilos of wheat, rye, and barley delivered to the country mills to be ground for consumption by the growers. To this bounty the Government added a further emergency bounty of 5 kroner (about \$1.25) per 100 kilos, which was paid out of the treasury. Therefore the total premium or bounty paid to such growers was 9 kroner per 100 kilos (about 61 cents per bushel).

This arrangement has been superseded by a regulation whereby the farmer in the outlying districts only receives the bounty of 9 kroner for the quantity which is considered sufficient for his requirements for such purposes as seed, feeding, etc. For any additional quantity which he may harvest above his own

requirements the farmer receives the regular purchase price set by the Monopoly, namely, 24.50 kroner per 100 kilos. Until this new regulation came into force it was possible for the farmer to sell his wheat to the local mill at a price somewhat below that paid by the Monopoly, which in turn would enable the local mill to sell flour at a lower price than that fixed by the Monopoly. As it is the aim of the Monopoly to maintain the same price for flour throughout the whole country, this purpose was being defeated in the outlying districts, and, as a result, the above-mentioned alteration has been put into effect.

NORWEGIAN PRODUCTION OF WHEAT

The following table shows the acreage sown to wheat in Norway and production for the years 1930 to 1938 inclusive:—

	Acres	Production	
		M. Tons	Bushels
1930	30,467	19,596	719,757
1931	28,687	16,106	591,566
1932	27,830	20,340	748,938
1933	28,108	20,542	754,511
1934	46,396	32,765	1,203,466
1935	58,764	50,871	1,858,503
1936	74,556	58,833	2,160,906
1937	79,156	67,957	2,496,967
1938	86,366	71,777	2,636,362

The foregoing figures show the pronounced increase both in acreage sown and production of wheat in Norway during the past nine years. The yield in 1938 is more than 3.5 times the average yield for the period 1930-34. Until comparatively recent years, it was the opinion of many that the Norwegian climate was not as suitable for the production of wheat as it was for raising barley and rye. As the above figures indicate, however, this theory seems to have lost favour. Probably the principal reason for the increased wheat production is the fact that Norwegian farmers receive a larger subsidy from the Grain Monopoly for wheat than for other types of grain. In other words, the increased acreage sown to wheat has been at the expense of other grains, principally of barley and rye. It is improbable that any marked increase in the total amount of land given to grain production has taken place during the last eight years.

DOMESTIC FLOUR INDUSTRY

On arrival in Norway, all wheat and flour shipments are carefully inspected by the Monopoly. The wheat is then delivered to the merchant mills, usually located at the ports, which are under contract to receive and grind the grain in accordance with instructions from the Monopoly. The mills store the flour and mill-feed and dispose of these commodities on their own responsibility but at prices fixed by the Monopoly. The mills are paid a fixed rate for grinding the wheat and for storing and disposing of the flour and mill-feed.

SALE OF GRAIN AND FLOUR

The contract with the merchant mills for the grinding and sale of the imported and home-grown grain purchased by the Grain Monopoly remains unchanged since 1937, except for an alteration in the grinding refund. In 1937, prices paid to the millers for the first 10,000 tons per annum were increased by 10 öre per 100 kilos of milled grain; between 10,000 and 20,000 tons per annum, 8 öre; from 20,000 tons per annum upwards, no increase. From January 1, 1938, the millers have been granted a further 10 öre per 100 kilos of milled grain, irrespective of quantities. It is a presupposition that these temporary increases will be abolished when the conditions which gave rise to them, such as increased wages, higher operating expenses, etc., no longer exist or their effect is much reduced.

In fixing the selling price of flour, the Monopoly operates on the principle that profits shall be sufficient to cover expenses only and leave a moderate surplus to be used in various ways for the promotion of the interests of agriculturists. At present (September, 1939) Canadian straight flour is being sold by the Monopoly at 30.75 kroner per 100 kilos (about \$7.70 per bag of 100 kilos), which is a decrease of \$1 per 100 kilos from that of the previous year. The c.i.f. cost to the Monopoly was recently (September, 1939) \$5 per bag of 100 kilos. The average price to the Monopoly in 1938 for Canadian straight flour was \$5.20, whereas the selling price was about \$8.70. In 1939, the average cost price so far has only been \$3.75 and the selling price about \$7.50; these prices have lately shown a tendency to rise. The spread of some \$3.50 between cost and selling prices may appear considerable, but it must be remembered that no duty is levied on imported flour and, if the grain trade was entirely in the hands of commercial firms, a duty would be levied which would roughly equal the present difference between the c.i.f. cost and the selling price. Flour milled in Norway from Canadian and other imported wheat is being sold at the present time (September, 1939) at 30 kroner per 100 kilos (about \$7.50 per bag of 100 kilos), a decrease of \$1 per 100 kilos from that of a year ago. The Monopoly tries to fix a selling price which can be maintained for a period of six months regardless of fluctuations in the cost of imported wheat and flour, and the prices at present in force have been in effect since the first of April. At the beginning of the crop year, which in Norway is September 1, the question of altering prices is again considered.

FLOUR PRODUCTION

Domestic flour production in 1938 amounted to 99,034 tons of fine ground and 24,024 tons of unbolted flour, a total production of 123,058 tons as compared with 89,700 and 23,000 tons respectively for 1937. This represents an increase of over 10,000 tons over 1937 and a slight increase over 1936, although not quite up to the peak year 1935. Domestic production of wheat flour has almost doubled since 1930, as shown by the following figures for the years 1930 to 1938 inclusive: 1930, 72,830 metric tons; 1931, 84,622; 1932, 93,644; 1933 105,684; 1934, 113,421; 1935, 123,668; 1936, 122,799; 1937, 112,700; 1938, 123,058 tons.

Canadian wheat and flour have been made the basis for the establishment of the standard types of flour produced by Norwegian mills, and figures of Norwegian imports of both wheat and flour indicate that the largest proportion of her requirements are purchased from Canada.

IMPORT TRADE IN WHEAT

Imports of wheat into Norway from Canada during the four years 1931 to 1934 were comparatively small, and in one year, 1932, Canada is not mentioned as a source of supply. During the same period, however, considerable quantities were imported from the United States, and as 1937 was the first year in which that country had an export surplus since the 1931-32 crop year, it seems probable that the imports credited to the United States, particularly for the years 1933 and 1934, originated in Canada. During 1935 and 1936, imports from the United States were negligible, and the amount recorded as having been imported from that country in 1936 is considered to be wheat of Canadian origin.

A probable reason for the change in the country of origin is the fact that in recent years Norwegian vessels have proceeded to the head of the Great Lakes, taking cargoes direct from Port Arthur and Fort William to Norwegian ports. If imports credited to the United States during 1936 are considered as Canadian wheat, Canada supplied approximately 78 per cent of the total Nor-

wegian requirements. Russia and Argentina are the two other principal sources of supply, both countries showing in 1936 considerable declines from their previous high levels. As regards 1937, it will be noted from the appended table that the total imports increased by more than 35,000 tons, while a considerable decline is recorded in the importation of Canadian wheat, amounting to almost 29,000 tons as compared to the previous year. This may be attributed to the smaller crop harvested in Canada during 1937, since imports have again increased in 1938 by nearly 20,000 tons over the previous year's figures. The following table shows imports of wheat into Norway from chief supplying countries for the years 1931 to 1938 inclusive:—

Imports of Wheat into Norway

Countries of Origin	1931	1932	1933	1934	1935	1936	1937	1938
			Figures in	Metric	Tons of	2,204	Pounds	
Total	130,515	147,771	168,656	166,536	183,295	139,904	175,758	164,733
Sweden	32	569	6	2,429	2,294	3,627	72	90
Denmark	588	.....	.....	.....	.....	.....	.....	.....
Soviet Russia	36,959	33,995	26,348	41,127	14,522	16,414	15,972	33,737
Yugoslavia . . . . .	.....	.....	.....	.....	.....	.....	.....	501
Turkey . . . . .	.....	.....	.....	.....	.....	.....	.....	4,013
Germany . . . . .	.....	4,972	12,434	2,350	.....	.....	.....	.....
France	5,278	.....	.....	2,140	7,405	.....	.....	.....
Roumania	1,198	.....	.....	.....	.....	.....	14,234	.....
United Kingdom	6,028	4,582	5,560	.....	7	.....	.....	.....
Netherlands	6,682	.....	.....	.....	.....	.....	.....	.....
United States	50,463	71,931	59,851	68,888	.....	8,123	8,844	14,665
Canada	8,053	.....	6,593	2,379	90,557	101,786	73,021	92,179
Argentina	15,234	27,882	57,864	45,731	68,507	9,891	52,570	9
Australia . . . . .	.....	3,836	.....	.....	.....	.....	4,562	5,216
Uruguay . . . . .	.....	.....	.....	.....	.....	.....	.....	14,323
Czecho-Slovakia . . . . .	.....	.....	.....	.....	.....	.....	6,483	.....
Poland and Danzig . . . . .	.....	.....	.....	1,492	3	.....	.....	.....

According to Norwegian official statistics for 1938, details of wheat imports by quantities and values are as follows:—

Norwegian Imports of Wheat in 1938

	Kilos	Kroner
Yugoslavia	501,000	66,000
Soviet Russia (Europe and Asia)	33,737,100	5,283,600
Sweden	89,713	38,077
Turkey (Europe and Asia)	4,013,000	614,700
Canada	92,179,000	14,269,600
United States	14,665,510	2,489,000
Argentina	8,730	1,100
Uruguay	14,323,000	2,322,000
Australia	5,216,000	905,000
	164,733,053	25,989,077

Total imports of wheat into Norway in 1938 amounted to 164,733 tons, which, although showing a decrease of some 11,000 tons from those in the previous year, is close to the average of 166,000 tons for the last six years. Canada's share of these six years' imports amounted to 54 per cent of the total. In 1938 Canada supplied 92,179 tons, or 56 per cent of the total imports. Soviet Russia, Canada's chief competitor, supplied 33,737 tons, or 20 per cent, while Argentina, which had supplied 52,000 tons, or 30 per cent, in 1937, was credited with only 9 tons in 1938. Supplies from Uruguay, however, which had not previously been a supplier, amounted to 14,323 tons, but this figure may include some Argentine supplies. The United States' share of the market increased by nearly 6,000 tons over that of the previous year to 14,665 tons, amounting to about 9 per cent of the total imports. Australia supplied 5,216 tons, or 3 per cent, a slight increase as compared with the previous year's figures.

The appended table, showing Norwegian wheat imports, domestic production, and approximate consumption, illustrates the increase in domestic production, as compared with total consumption, despite increasing imports. Whereas in 1930 domestic production accounted for 13 per cent of the total consumption, in 1938 it had risen to over 30 per cent, illustrating the effect of the Government's policy of encouraging domestic production of wheat. On the other hand, imports have also increased, the average for the last six years amounting to 166,000 tons as compared with 130,000 tons for 1930 and 1931.

Norwegian Imports, Production, and Consumption of Wheat

Year	Imports M. Tons	Production M. Tons	Consumption M. Tons
1930	130,621	19,596	150,217
1931	130,515	16,106	146,621
1932	147,771	20,390	168,161
1933	168,656	20,542	189,198
1934	166,536	32,765	199,301
1935	183,295	50,871	234,166
1936	139,904	58,833	198,737
1937	175,758	67,957	243,715
1938	164,733	71,777	236,510

As it is the object of the Grain Monopoly always to keep in stock from 100,000 to 150,000 tons, the figures in the right-hand column may be regarded as a rough approximation of the quantity consumed each year, and it will be noted that annual consumption during the nine-year period has increased by almost 100,000 tons. A very considerable increase in both imports and production during 1937 almost doubles the consumption figure for 1936.

While it is impossible to estimate the amount of the increase in the acreage sown to wheat in the future, it is estimated that the rate of increase will not be as rapid as in the past four years, as there is little new land available for agriculture and considerable quantities of other grains are required. There is no doubt that part of the increased consumption of wheat is due to better economic conditions throughout the country, but it should also be remembered that the serious effects of the depression had not become evident in 1930. Consequently, the consumption of wheat in 1930 may be taken as fairly normal. It would appear, therefore, that, even though the production of wheat continues to expand, it will not be sufficient to cover the increase in the demand, and that imports of about 150,000 tons will still be required.

IMPORT TRADE IN FLOUR

The appended table, showing imports of wheat flour into Norway since 1930 from principal supplying countries shows the gradual decrease in these imports:—

Imports of Wheat Flour into Norway

Countries of Origin	1930	1931	1932	1933	1934	1935	1936	1937	1938
			Figures in Metric Tons		of 2,204 Pounds				
Total	65,183	69,075	48,406	50,361	44,885	43,128	39,023	32,077	40,990
Sweden	67	24	....	42	....	....	827	1,080	565
France	8,152	13,827	5,843	5,648	6,454	6,054	4,621	4,748	3,215
Netherlands	295	148	65	....	....	....	....	173	61
Belgium	127	....	....	1,813	....	....	....	....	....
Hungary	204	649	733	1,201	....	1,237	1,387	2,298	883
United Kingdom	1,374	3,945	11,269	14,464	12,623	9,610	6,954	4,541	3,954
United States	32,084	24,115	13,686	7,957	7,760	4,205	5,065	4,969	5,818
Canada	21,602	25,851	16,376	18,963	17,653	21,194	20,000	13,989	26,459

According to Norwegian official statistics for 1938, details of wheat flour imports by quantities and values are as follows:—

Norwegian Imports of Wheat Flour in 1938

	Kilos	Kroner
Denmark	10,600	2,508
Finland	1,670	726
France	3,215,577	730,505
Netherlands	61,403	13,809
Poland and Danzig	1,350	404
United Kingdom	3,954,354	913,597
Sweden	565,050	143,846
Hungary	883,224	194,700
Canada	26,458,994	5,167,400
United States	5,817,515	1,383,273
Australia	20,137	3,615
	40,989,874	8,554,383

Since 1931, imports of wheat flour have steadily declined to the extent that in 1937 they were down by approximately 50 per cent. Despite this decrease, imports from Canada have been maintained and, as the import statistics show, they increased in 1938 over the peak figure of 1931. Canada's share of the flour market for the past six years, despite the drop in 1938 imports, amounted to 52 per cent of Norway's total imports of wheat flour; in 1938 imports from Canada accounted for 67 per cent of Norway's total imports.

As Canada's share of a decreasing market has proportionately increased, imports from other countries have correspondingly decreased, as the table of imports shows. In 1938 the only country apart from Canada to show an increase in its shipments of flour to Norway is the United States, which ranks next to Canada as Norway's chief supplier of wheat flour.

In 1938 the United States supplied 14 per cent of Norway's total imports, and Great Britain and France were credited with 9.6 per cent and 7.8 per cent respectively, these three countries ranking in that order next to Canada as sources of wheat flour supplies.

The growing importance of the Norwegian flour-milling industry in relation to imports of flour is indicated in the following table showing domestic production, imports, and total consumption of wheat flour since 1930. As may be noted from this table, the gradual decline in imports is more than offset by the increase in domestic production in view of the increase in consumption since 1930 to an average of over 158,000 tons for the past five years.

Year	Domestic Production M. Tons	Imports M. Tons	Consumption M. Tons
1930	72,830	65,183	138,013
1931	84,622	69,075	153,697
1932	93,644	48,406	142,050
1933	105,684	50,361	146,045
1934	113,421	44,885	156,306
1935	123,668	43,128	166,816
1936	122,799	39,023	161,822
1937	112,700	32,077	144,777
1938	123,058	40,990	164,048

EXPORTS OF FLOUR

Norwegian exports of flour in 1937 amounted to only some 45 tons. These went mainly to neighbouring countries under licence and, as compared with the 1938 imports of 41,000 tons, are relatively unimportant. Exports increased in 1938, as the following table shows, but still, including re-exports of foreign-milled flour, represent only about $\frac{1}{2}$ per cent the volume of imports. The fact that Svalbard (Spitzbergen), one of the export markets, is a Norwegian dependency further minimizes the importance of these exports.

Imported flour is similarly handled. Following inspection at the port of entry, it is taken over by specified wholesale houses which are under contract with the Monopoly to distribute it at their own risk against a certain compensation. The selling price for flour of each type is the same all over the country, freight charges being equalized by the Monopoly. Changes in prices are telegraphed to all mills and wholesale dealers and are put into force simultaneously throughout the country. Selling prices are calculated on the basis of prices on the world market, but only in a general way, as frequent changes have to be avoided if possible. New prices apply to all stocks at the mills and in the hands of wholesale merchants, and losses or gains occasioned through fluctuations in price are adjusted between the different mills and wholesalers and the Monopoly.

EFFECT OF REGULATIONS

From the above summary it is apparent that the activities of the Monopoly have in a large measure derived private firms of their commercial independence. Nevertheless, the mills, flour importers, and agents are still able to operate on a comparatively satisfactory basis in co-operation with the Monopoly. Private importers of feeding stuffs are still permitted to import the necessary quantities of mill-feed under special licence issued by the Monopoly.

SUBSIDIES

The extent of the assistance rendered to the Norwegian farmer whereby he is guaranteed a minimum price for the wheat which he has grown and wants to sell may be gauged by the price of \$1.70 per bushel in Canadian currency which the Monopoly has paid the farmer regardless of the selling price of flour, a price which has been maintained for over a year despite the drop in the price of wheat on the world markets. (This subject has been reviewed in the section dealing with domestic production of wheat.)

As mentioned above, the selling price of flour is fixed by the Monopoly on the principle of covering expenses and leaving a moderate profit, but the operations are carried out on behalf of the Monopoly by the mills, which are paid a fixed rate for their services.

MAINTENANCE OF STOCKS

The policy of the Government as regards supplies of wheat has been to keep ample stocks on hand, and for this purpose the storage capacity of the Grain Monopoly was increased in 1938. It is therefore probable that the quantity of grain in storage at the end of the year was much above normal. In this connection the following excerpt is taken from the official annual report of the Grain Monopoly:—

During the year 1937 the Monopoly so arranged its purchases that the large stocks which the increased storage capacity had made it possible to place could be maintained, except during the first few months of the new grain year when expected harvests of Norwegian grain permitted a reduction. By this means it was possible for the Monopoly to adopt a waiting policy while the situation on the world's market remained unfavourable. When the market, during August and September, came down to a reasonable level, the total engagements, which per August 1, 1937, were as low as 156,300 tons, were greatly increased. Little by little, the stocks were increased until they reached the desired level, where they remained stationary until July 1, 1938. Thanks to the large stocks, it was possible to make freer disposals and partly adopt a waiting policy under periods of strong increases when these were of such a character as to be termed transitory. These conditions made themselves felt to a high degree in connection with purchases of Canadian wheat for which it was not necessary to pay such high prices as would otherwise have been the case.

The beginning of the grain year 1938-39 showed about the same conditions as during the preceding year, as the prospects for good harvests indicated a reduction in price. At the end of October, 1938, it was certain that there was a great increase in world production,

and prices accordingly reached a low level. Taking it for granted that the risk of a further heavy fall in prices is very small, the Monopoly intends to take up their long-date purchase policy again.

As mentioned elsewhere in this report, Norwegian imports of wheat during the last six years have averaged 166,000 metric tons a year. It is not likely that requirements will be reduced in the immediate future.

In summary, and with particular reference to Canada's position on the local market, it may be noted that no official restrictions are in force as regards the importation of wheat and flour into Norway, nor do any trade or clearing agreements exist whereby other countries have a more favourable position than Canada in supplying the Norwegian market with wheat and flour. All supplying countries are on an equal basis as far as competition is concerned. If anything, Canada is in the most favourable position, but this is not due to any official restrictions or agreements but rather because of the fact that Canadian wheat and flour have been made the basis for Norwegian types.

WHEAT AND FLOUR SITUATION IN THE NETHERLANDS

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(One guilder or florin equals approximately Can.\$0.53 at the current rate of exchange, at which all conversions have been made. One metric ton equals 2,205 pounds; one kilo equals 2.2 pounds.)

WHEAT

Rotterdam, September 25, 1939.—With no currency restrictions, a comparatively low milling percentage for the home-grown product, and without a high import duty the Netherlands is one of the few remaining important purchasers of foreign wheat. As a traditionally free trade country and ill-adapted for the production of cereals, the Netherlands was one of the last nations of Europe to interfere in any way with the grain trade. Up to the middle of 1931 only foreign wheat, which was admitted without restriction, was used by Netherlands mills grinding white flour for ordinary bread-making purposes. The domestic crop, which averaged about 5,750,000 bushels per annum, was employed exclusively for feeding purposes and for the manufacture of whole-wheat flour.

VOLUME OF IMPORTS

During the five-year period from 1929 to 1933 imports of wheat into the Netherlands averaged 26,477,200 bushels per annum. In 1934, when the effect of the enforced employment of the domestic product was evident—to which reference will subsequently be made—the quantity entering the country dropped to 18,141,000 bushels. In 1935 it rose to 19,450,000 bushels but in 1936 it fell to 17,232,000 bushels. In 1937, when the domestic crop was unsatisfactory, there was again an increase, and foreign arrivals totalled 20,888,000 bushels, while in 1938 imports went up further to 23,691,000 bushels.

In 1935 imports from Canada aggregated 3,561,000 bushels or roughly 18.3 per cent of total arrivals, Argentina ranking first with 11,640,000 bushels or 60 per cent. In 1936 the Dominion was the chief supplier, shipping 55.8 per cent of total imports or approximately 9,564,000 bushels, while arrivals from Argentina accounted for roughly 9.3 per cent or 1,694,000 bushels. During 1937 Canada was in third position, supplying 20.75 per cent or 4,335,000 bushels, Argentina being first with 28.44 per cent or 5,941,000 bushels and the United States second with 23.76 per cent or 4,964,000 bushels. In 1938 Canada was again third with 4,010,800 bushels or 16.9 per cent, being preceded by the United States with 10,492,000 bushels or approximately 44.29 per cent and Soviet Russia

with 4,489,200 bushels or about 19 per cent. During the period January-August, 1939, the position of the leading suppliers was as follows:—

	Bushels	Percentage
United States	5,315,300	31.25
Argentina	4,054,334	23.84
France	2,747,908	16.16
Canada	2,096,294	12.33
Roumania	1,920,518	11.29

The appended table shows Netherlands wheat imports during the years 1934, 1935, 1936, 1937, 1938, and for the period January-August of the current year:—

Netherlands Imports of Wheat

	1934	1935	1936	1937	1938	Jan.-Aug., 1939
	Figures in		Metric Tons of	2,204 Pounds		
Total	493,670	529,265	468,908	568,387	644,648	462,726
Germany	16,952	9,808	39,405	973	.....	.....
Belgium	15,782	12,388	4,612	6,078	4,670†	4,718‡
Great Britain	1,947	45	5,454*	1,042	.....	3,573§
France	745	.....	2,180	.....	15,565	74,773
Czecho-Slovakia . . . . .	.....	.....	594	2,639	.....	.....
Soviet Russia	18,033	24,681	17,889	38,931	122,156	11,761
Poland . . . . .	.....	.....	65	990	10	.....
Denmark . . . . .	.....	.....	.....	2,467	3,311	.....
Sweden	3,410	22,321	4,028	.....	.....	.....
Bulgaria	395	223	.....	.....	.....	.....
Roumania	67,257	150	26,053	77,373	27,186	52,259
Egypt . . . . .	.....	.....	.....	600	.....	.....
Yugoslavia	400	749	2,716	4,863	.....	.....
Turkey . . . . .	.....	.....	.....	297	584	.....
Lithuania	260	471	.....	.....	4,460	2,424
French Morocco	1,483	.....	.....	132	.....	.....
French West Africa . . . . .	.....	.....	.....	119	85	.....
Canada	88,330	96,905	260,253	117,968	109,138	57,042
Argentina	241,549	316,748	46,094	161,661	70,451	110,322
Brazil . . . . .	.....	759	.....	.....	109	.....
Uruguay	855	9,560	2,371	4,994	501	.....
United States	34,968	34,455	48,907	135,070	285,501	144,634
Australia . . . . .	.....	.....	8,282	12,185	843	.....

* Including 4,095 tons of Russian origin.

† Including 1,700 tons of Russian origin.

‡ Including 227 tons of Russian origin.

§ Including 400 tons of Russian origin.

WHEAT MIXING LAW

The initial legislation affecting the wheat trade was the Wheat Act of 1931, which became effective on July 4, 1931. It was originally intended to be of a temporary nature and was to expire on August 1, 1934. Its operation was, however, extended by a subsequent decree. This legislation provided that flour used for ordinary bread-making purposes should contain a minimum of 20 and a maximum of 30 per cent of domestic wheat. By an amendment to this Act, the maximum was subsequently raised to 40 per cent.

Particulars as to the percentages of domestic wheat which have had to be used since the inception of the Act have been as follows:—

	Per Cent
July 4, 1931, to September 7, 1931	20
September 7, 1931, to August 8, 1932	22½
August 8, 1932, to February 13, 1933	25
February 13, 1933, to present	35

It is still possible to add another 5 per cent, to make a total of 40 per cent, before the legal maximum is reached.

For the purpose of marketing domestic wheat a Central Wheat Organization was created, which was superimposed on eight local district organizations which were set up concurrently and of which the wheat producers were to be members.

The Central Wheat Organization is the only seller of domestic wheat under the Wheat Act. As an adjunct to the Central Wheat Organization, a second or buying body was also formed, which purchases wheat on behalf of the millers.

At the beginning the Central Wheat Organization paid the farmer fl.12.50 per 100 kilos (approximately 3.67 bushels) for his wheat. This was subsequently reduced to fl.12 and in 1934 to fl.11. In 1935 it was further decreased to fl.10, while fl.9 was paid for the 1936 harvest. The amount paid for the 1937 crop was slightly higher, amounting to fl.9.25. In 1938 it was fixed at fl.10, and is the same for the 1939 crop.

The flour-milling industry purchases this wheat through the Consumers' Association at an average price of fl.14.70 per 100 kilos. The high price is passed on to the consumers of bread.

AGRICULTURAL CRISIS LAW

The Wheat Act, as outlined in the preceding paragraphs, continued in force until superseded by an Act of May 5, 1933, which is known as the "Agricultural Crisis Law." This new statute unified and embodied all existing legislation, including the Wheat Act. It was possible, therefore, to repeal the latter, which was done by an enactment of July 27, 1934, as its functions had been completely absorbed by the Agricultural Crisis Law. This succeeding law, in addition to embodying the mixing prescriptions of its predecessor, vested in the Government arbitrary power to take whatever steps were deemed necessary to assist and regulate the trade in a number of agricultural and horticultural products, including wheat. These commodities were termed "crisis products."

CONTROL OF IMPORTS

By virtue of the Agricultural Crisis Law, a second measure of restraint was placed on the wheat trade from August 14, 1933, when the Government, through the medium of the Central Wheat Organization, adopted what was designated as a monopoly of imports. At the same time an import levy was imposed, known as a monopoly tax.

From the date mentioned the unrestricted importation of wheat, which had hitherto prevailed, was abolished. While the monopoly did not take the place of private trading, it confined this trade to established firms and individuals, and made it necessary for them to obtain import permits from the Central Agricultural Office in The Hague, which had the right to grant or refuse these permits for any exporting countries. It was further specified that there would be a tax for these permits of fl.1 per 100 kilos of wheat. Following subsequent rises and decreases in wheat prices on world markets, the amount of the monopoly tax has been changed from time to time, as may be seen from the following table showing the rate per 100 kilos (220 pounds) for the various periods up to the present date:—

	Florins
August 14, 1933, to November 17, 1933	1.00
November 18, 1933, to September 3, 1935	1.50
September 4, 1935, to April 4, 1937	2.00
April 5, 1937, to April 2, 1938	1.00
April 3, 1938, to July 30, 1938	1.50
July 31, 1938, to August 20, 1938	2.00
August 21, 1938, to November 19, 1938	2.50
November 20, 1938, to present	3.00

The monopoly control enables the Netherlands, if it is so desired, to divert, wheat imports to countries with which bilateral treaty arrangements are in effect. It can also be used to assist trade balances, as has been done with certain European countries whose wheat is accepted only against the importation by them of certain quantities of Netherlands or Netherlands colonial merchandise.

By virtue of the treaty between the Netherlands and the United States, which became effective on February 1, 1936, the Netherlands Government pledged itself to purchase annually a quantity of milling wheat originating in the United States equivalent to not less than 5 per cent of the annual total consumption of foreign milling wheat in the Netherlands. It was stipulated in this connection, however, that the price of this wheat must be competitive with the world price for milling wheat of comparable grade and quality. In July, 1936, the Netherlands concluded a commercial treaty with Hungary. This treaty included a clause whereby the Netherlands were to take 100,000 metric tons of bread wheat of the 1936 crop from Hungary. However, in view of the fact that the latter country has been able to dispose of its wheat more advantageously in other European countries, there have been no imports into the Netherlands from Hungary.

EMERGENCY LEGISLATION

Owing to the present political tension prevailing in Europe, the Government has decided to centre the purchase of and trade in grain of all kinds in the Netherlands Grain Purchasing Office at The Hague, with which office have been associated certain merchants formerly in the Rotterdam grain business.

DOMESTIC PRODUCTION

Concurrently with the high price received by growers for their wheat, and the widening milling quota, domestic production began to expand. Compared with 1930, the harvest had more than doubled in 1932. In view of this heavy increase, which it was feared for a while might continue too rapidly, farmers were notified that from the beginning of 1933 the area sown to wheat by each individual farmer should not exceed one-third of the total area cultivated by him in 1932. This total was to include all field crops of every description. In practice, however, this legislation was not effective, and the increase in acreage continued into 1935, owing to the substitution of wheat, which because of the fixed price could be produced at a profit, for other less remunerative cereals.

On November 24, 1936, the Netherlands Government completely abolished the nominal restriction of wheat acreage. The following figures show the areas sown to wheat during the last eleven years, together with the totals of annual production during the period 1929-38:—

Year	Acres	Bushels
1929	112,270	5,756,520
1930	137,183	6,376,860
1931	192,194	7,091,280
1932	296,695	13,472,000
1933	337,838	15,255,000
1934	358,661	17,600,000
1935	390,222	16,407,429
1936	369,141	14,348,008
1937	319,730	8,724,271
1938	311,277	15,940,754
1939	306,068	.....

The above table shows that the yield of the 1937 crop was the smallest since 1931, while the 1938 harvest was exceedingly good. As regards the present year, an official report published by the Netherlands Government states that on August 21 the estimated wheat crop was less than the average for the past ten years.

IMPORT DUTY

Wheat enters the Netherlands duty free. The monopoly tax referred to above, however, is equivalent to a duty of approximately \$0.43 per bushel.

FLOUR

As a basis to an understanding of the restrictions affecting the Netherlands flour trade, a knowledge of the wheat situation—as summarized in the preceding paragraphs—is essential. The legislation regulating the use of wheat also covers the trade in flour. The relationship between the two commodities is so intimate that flour legislation must to a large extent coincide with wheat legislation. As a manufactured product, however, the former receives a higher degree of protection than the raw material, wheat.

Prior to July 4, 1931, there were no import restrictions or duties on flour when imported into the Netherlands. Owing to the social legislation which prohibited night labour in the bakeries and made a quick-working flour necessary, the most popular varieties were those milled from the softer wheats grown in Kansas and Oklahoma. However, a fair trade was done in the Canadian product.

PROVISIONS OF THE WHEAT MIXING LAW

The Wheat Mixing Law, which came into force on July 4, 1931, prescribed that bakers must use flour containing a specified percentage of home-grown wheat. Millers could readily adjust their grists accordingly, but the mixing of flour after its manufacture is impracticable. It was therefore apparent that the domestic milling industry would have a monopoly of the inland market and that the import trade would cease entirely.

In order to prevent this, and as a concession to flour importers, the relevant legislation was framed to allow the continued use under certain conditions of small and limited quantities of unmixed flour. The product was by the law divided into two categories, which were designated "wheat flour A" and "wheat flour B." The former must contain the proportion of domestic wheat as laid down in the Act. The latter may be milled from 100 per cent foreign wheat.

It was stipulated that "wheat flour B" may only be transported and sold for the account of an organization appointed by the Government to control the trade in it. This body is known as the Central Flour Office.

It was further stated that "wheat flour B" could only be stocked on condition that it be either handled according to instructions and for the account of the Central Flour Office or that it be worked:

- (a) to products destined for export to foreign countries;
- (b) to products designated by the Ministry under whose jurisdiction the Act comes;
- (c) in bakeries working "wheat flour A."

As regards the products referred to under (b), the following are defined: rusks, biscuits, wafers, self-raising flour, vermicelli, macaroni, and starch. Concerning (c), each bread baker was allowed to use "wheat flour B" to the extent of one-nineteenth of his consumption of "wheat flour A," which is 5 per cent of his total consumption of A and B. For pastry bakers the proportion allowed was 40 per cent.

MONOPOLY TAX ON FLOUR

Concurrently with the enactment of the Mixing Law, the Central Flour Office imposed a levy of fl.2 per 100 kilos (\$1.06 per 220 pounds) on all "wheat flour B" which was sold. Subsequently this tax has been increased and lowered and at the present time it amounts to fl.7 per 100 kilos (\$3.71 per 220 pounds).

PRESENT SITUATION

Under the original legislation, bread makers and pastry bakers were permitted to use respectively 5 and 40 per cent of "wheat flour B" individually and not collectively. The total of unmixed flour used for the manufacture of bread was, therefore, considerably less than 5 per cent of the total consumption.

In order to facilitate the making use of the entire allotment, by virtue of a decree of March, 1935, it was made lawful for bakers to utilize up to 25 per cent of imported "wheat flour B," provided they could obtain from other bakers who use no unmixed flour the 20 per cent over and above the 5 per cent to which they were entitled. Similarly the privilege was extended to pastry bakers by extending their permissible maximum up to 80 per cent. By a ministerial order of January 11, 1939, which was made retroactive from January 1, 1939, the Netherlands bread-baking industry was permitted to use unmixed flour from foreign wheat up to a maximum of 10 per cent of all flour consumed in that branch. The baking industry as a whole may now, up to the limits set, use "wheat flour B" on a semi-collective basis instead of individually as before. In this connection an office was established in Amsterdam to administer the machinery of distribution.

In March, 1939, the Netherlands Minister of Economic Affairs decided that in the interests of bread and pastry bakers a quantity of 50,000 tons of wheat flour could be brought into the country; allotment to the individual consumers is to be based on the quantity of foreign flour received by them in 1937.

Reference has already been made to the Netherlands-United States Commercial Treaty in so far as it deals with wheat. The same accord contains a clause which binds this country to purchase annually from mills in the United States a quantity of wheat flour equivalent to not less than 5 per cent of the yearly total wheat flour consumption of the Netherlands; this 5 per cent is estimated at about 30,000 metric tons. It is also provided that this United States flour must be competitive both as regards price and quality. As a result of this treaty, imports from other countries are being adversely affected.

FLOUR IMPORTS

Before the introduction of restrictions the Netherlands was one of the leading flour markets of Europe, with annual imports averaging in excess of 150,000 metric tons. In 1935 they amounted to 41,519 metric tons, increased to 62,641 tons in 1936, and totalled 64,707 tons in 1937. During 1938 and the first eight months of the current year 67,718 and 62,715 tons, respectively, arrived from abroad.

Whereas in 1935 Canada supplied 9.37 per cent of total imports, this figure decreased to approximately 6½ per cent in 1936 and 1.79 per cent in 1937. In 1938 it showed a further drop to 0.82 per cent, while during the period January-August of the present year the Dominion's share was 1.43 per cent.

Details of Netherlands flour imports during the years 1934 to 1938 and for the first eight months of 1939 are as follows:—

Netherlands Imports of Flour

	1934	1935	1936	1937	1938	Jan.-Aug., 1939
			Figures in Metric Tons			
Total	38,906	41,519	62,641	64,707	67,718	62,715
Germany	5,453	668	78	52	65	....
Belgium	227	511	409	1,564	2,242	....
Great Britain	1,415	2,264	4,535	3,477	2,444	1,984
France	16,535	16,528	10,273	8,133	7,897	16,149
Poland . . . . .	....	688	8,126	1,965	153	....
Italy	3,451	2,199	45	100	....	....
Hungary	50	3,061	6,247	209	270	1,745
Austria . . . . .	....	....	....	204	....	....
Yugoslavia . . . . .	....	....	....	1,824	....	....
Switzerland	1,462	1,753	....	....	....	....
Turkey . . . . .	....	....	....	....	252	....
Algeria . . . . .	....	....	....	....	267	....
Canada	2,903	3,890	4,060	1,156	558	898
Argentina . . . . .	....	....	401	1,924	1,560	1,613
United States	7,203	8,964	25,507	39,063	43,736	36,491
Australia	180	992	2,879	5,029	8,269	2,942

IMPORT DUTY

There is no duty on wheat flour entering the Netherlands. There is, however, the monopoly tax of fl.7 per 100 kilos, to which reference has been made, and which is the equivalent of a duty of \$3.71 per 220 pounds.

NETHERLANDS MILLING INDUSTRY

The most recent official report on the Netherlands milling industry covers the year 1938. At the close of that period there were nineteen commercial flour mills, located in various parts of the country, which during the preceding twelve months ground 816,745 metric tons of wheat, of which 282,560 tons were of domestic origin. The total flour production amounted to 640,858 metric tons.

CURRENCY RESTRICTIONS

There is no transfer moratorium in the Netherlands in so far as imports from Canada are concerned; payment is made under normal conditions.

POINTS FOR EXPORTERS TO NETHERLANDS INDIA

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

II

DOCUMENTATION

Shipments to Netherlands India should be accompanied by an ordinary commercial invoice in triplicate showing numbers, weights (preferably in kilograms), sizes, a description of the goods, and the c.i.f. value upon which, with the few exceptions mentioned in a preceding section, the import duties are levied. If the c.i.f. price is not given in the invoice, there must be a note showing the carrying charges so that the c.i.f. price may be computed. Consular invoices are not required. To avoid trouble and delay, every care should be taken to see that the invoice bears an exact description of the contents of packages.

Shipments of fresh fruits (e.g. apples) and potatoes must be accompanied by a certificate of origin and health signed by a qualified official of the Canadian Department of Agriculture. In the case of fruit the certificates must bear a definite statement to the effect that "the shipment (not a representative sample) described below has been inspected and found to be in good order and sound condition, apparently free from insect pests (*inter alia*, fruit fly) and fungus diseases." Shipments of potatoes require a certificate stating that "the potatoes hereunder have been found free from potato wart disease (*Synchytrium endobioticum*) and were grown at least 500 metres distant from any potatoes infected with that disease." In the absence of such certificates the fruit or potatoes are not permitted to be landed in Netherlands India and the shipments must, therefore, be destroyed. It follows that care must be taken to ensure that the required certificate is in the importer's possession *before* the arrival of shipments.

All goods the import of which into Netherlands India is subject to quota and licence restrictions with reference to specified countries must be accompanied by certificates of origin, appended to or on the face of the invoices, reading: "This is to certify that each article on this invoice is bona fide the produce or manufacture of Canada." This certificate must bear the signature and seal of an official of a Canadian Chamber of Commerce or Board of Trade. Exporters may obtain advice as to whether or not the commodities in which they are interested require a certificate of origin by application to the Department of Trade and Commerce, Ottawa. If there is any doubt, it would be wise to include the certificate.

POSTAL RATES

The letter rate from Canada to Netherlands India is 5 cents for the first ounce and 3 cents for each additional ounce.

Dutch air services pioneered the Far East routes, and Netherlands Indies firms have for many years been accustomed to the use of air mails for practically all correspondence. Canadian firms are urged to make use of the air mail in correspondence with Netherlands Indies connections. Several Netherlands Indies firms who always communicate with their Canadian correspondents by air mail report that the latter invariably neglect to use this service. This may result in a lack of interest in Canadian offers, as the attitude taken by Netherlands Indies firms is that if they consider a matter of sufficient importance to merit the extra expense for air mail it is not too much to expect the Canadian seller to show a like interest.

Parcel post rates from Canada to Netherlands India are shown in the table hereunder:—

Route	1		2		3		4		5		6		7		8		9		10		15		20		Insur- ance
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	
England and Suez	\$1.05		\$1.15		\$1.60		\$1.70		\$1.80		\$1.90		\$2.00		\$2.30		\$2.40		\$2.50		\$3.75		\$4.25		Yes
Vancouver and Hongkong.	0.70		0.80		1.00		1.10		1.20		1.30		1.40		1.50		1.60		1.70		2.50		....		No

The rate for samples is 2 cents for the first 4 ounces and 1 cent for each additional 2 ounces. For commercial papers it is 5 cents for the first ten ounces and 1 cent for each additional 2 ounces. For printed matter (including catalogues, etc.) the rate is 1 cent per 2 ounces.

CABLE RATES

Rates on cables from Canada to Netherlands India are as follows:—

	Full Ordinary Rate per Word	Code per Word (Minimum 5 Words)	Deferred per Word	Daily Letter Telegrams	
				Minimum 25 Words	Extra Words
Maritime Provinces, Ontario and Quebec	\$0.91	\$0.55	\$0.45½	\$7.59	\$0.30½
Manitoba	0.90	0.54	0.45	7.50	0.30
Alberta, Saskatchewan	0.90	0.54	0.45	7.50	0.30
British Columbia	0.85	0.51	0.42½	7.09	0.28½

SHIPPING FACILITIES

The factor of distance renders the price of many Canadian products non-competitive in the Netherlands Indies market, especially when cost rather than quality is the primary consideration in most cases. However, there are now fairly satisfactory shipping facilities from Canada to Netherlands India. The following are the usual routings:—

Eastern Canada.—From Montreal in the summer and Saint John in the winter months the Ellerman Line (Canada-India service) operates via Suez with transshipment at Port Said; agents, Messrs. McLean Kennedy Ltd., Montreal.

From Montreal or New York in the summer and Halifax or New York in the winter months the Java-New York Line (a joint service offered by the Blue Funnel Line, Nederland Line, and Rotterdam Lloyd Line) maintains sailing at present via South Africa to Netherlands Indies ports without transshipment; agents, Cunard-White Star Line, Montreal, or Funch Edye & Co. Inc., 25 Broadway, New York City.

Western Canada.—From Vancouver the Canadian Pacific Steamships offer regular fortnightly sailings to Hongkong, whence shipments are on-carried to Netherlands Indies main ports by two Dutch lines, viz. the K.P.M. (Royal Packet Line) and the J.C.J.L. (Java-China-Japan Line). The foreign freight agent of the C.P.R., Vancouver, can give full particulars.

Silver-Java-Pacific Line operates a monthly service direct to Netherlands Indies main ports; agents, Dingwall Cotts & Co. Ltd., Vancouver.

NOTE.—Shipments from Canada should *not* be routed for transshipment at Singapore, as the freight charges between Singapore and Batavia or other Netherlands Indies ports are

so high that the ultimate price to the buyer would be certain to be uncompetitive. The Singapore-Batavia rate is practically the same as the Canada-Singapore freight charges.

METHODS OF SALE¹

The types of representation available to exporters to Netherlands India are listed hereunder with brief notes on each:—

EUROPEAN DISTRIBUTING HOUSES

European distributing houses are mainly Dutch, but some are British and German.

Advantages.—(a) Usually long established and financially strong; (b) offer wide distribution through branches in the most important centres; (c) have the benefit of quotas and licences to import regulated commodities (see preceding section entitled “Government Commercial Policy”).

Disadvantages.—Many of these firms have more agencies than they can properly handle. This is aggravated by the fact that few specialize, preferring to take on any line that shows profit-making possibilities from provisions to technical engineering agencies.

CHINESE DISTRIBUTING HOUSES

The tendency for more Chinese retail and wholesale firms to engage in direct importing has been checked to a great extent by the Government's commercial policy (see preceding section under that heading).

Advantages.—(a) As a rule they have fewer agencies than the larger European firms and can therefore devote more attention to a new line; (b) they usually work on a smaller margin due to lower overheads.

Disadvantages.—(a) They are inclined to “shop” for cheaper sources of supply rather than protect their principals' interests; (b) their financial standing, with few exceptions, is difficult to ascertain and therefore open to question.

RESIDENT MANUFACTURERS' AGENT

Advantages.—(a) Usually a small, one-man business, the proprietor of which must work and produce results in order to make a living; (b) low overhead and works entirely on a commission basis; (c) is on the ground to safeguard the interests of his principals and act as “in case of need” in any unforeseen emergency that may arise.

Disadvantages.—(a) As a rule results depend entirely upon the energy and integrity of one man; (b) where central stocks should be carried, this type of representation is of doubtful value, as the agent must find a stockist—not an easy task in such a competitive market; (c) most manufacturers' agents in Netherlands India cannot obtain the necessary quotas and licences to import regulated lines, and their sales, if they deal in such products, are consequently restricted to those firms who have been given the necessary permits to import (see preceding section entitled “Government Commercial Policy”). This disadvantage is, of course, nullified if the product is one that is not subject to regulation.

The principal requirements of a manufacturers' agent are that he be industrious, cover his territory regularly, and be of good character. His financial standing is of secondary importance, as drafts are usually drawn direct on his clients. Manufacturers' agents of the right type are scarce in Netherlands

¹ More complete information on this subject is contained in the report entitled “Points for Exporters to British Malaya,” copies of which in pamphlet form are available on application to the Department of Trade and Commerce, Ottawa.

India, but there are a few who would make desirable representatives for sundry lines such as motor car accessories, batteries, hosiery, clothing, patent medicines, etc.

VISITING FACTORY REPRESENTATIVE

Advantages.—(a) He knows the product and the company's policy and can usually make decisions on the spot; (b) where a line must be proven saleable, few but a factory representative will devote the time and energy required to introduce it; (c) he can furnish his head office with reports that no agent would be willing to prepare.

Disadvantages.—(a) Unless the line has seasonal demand and sales are restricted to relatively few dealers, such a representative cannot be expected to be in as close touch with all the dealers and local conditions as a resident representative; (b) usually handicapped by ignorance of the local languages; (c) travelling and other expenses in Netherlands India are heavy.

DIRECT SALES TO DEALERS

The method of direct sales to dealers has little to commend it. The dealers are usually small firms scattered throughout the country, and they require the attention of a responsible agent to check on their payments and general conduct of business. These dealers are the logical clients of the importers or manufacturers' agents.

INDENT BUSINESS AND ABSENTEE REPRESENTATION

Most of the large Netherlands Indies firms have head offices in Holland, but their functions are more those of a purchasing and paying agent rather than those of the usual type of indent house. Moreover, buying offices are frequently maintained in London, New York, Japan, or elsewhere, but these usually act only upon instructions from the chief branch in Netherlands India through the Holland head office. Business has become so competitive and communications so rapid that it is possible and advisable for firms in this part of the world to order direct. If an order is placed through the buying office of a Netherlands Indies firm, it is usually only after the goods have been examined by the Netherlands Indies organization and the prices found to be competitive. Canadian firms may receive their orders, shipping instructions, and payments from a Holland or New York office, but, except in cases where the commodity is of a fixed specification and the only consideration is price, the goods must actually be sold to the Netherlands Indies offices.

When corresponding with purchasing offices of Netherlands Indies firms in Holland, New York, or elsewhere, it is recommended that exporters send duplicate copies of correspondence and other documents, so that one set may be forwarded to Netherlands India, in order to minimize time and effort.

The office of the Canadian Commercial Attaché, Coolsingel 111B, Rotterdam, Holland, can frequently provide valuable contacts with the Holland head offices of Netherlands Indies firms. Similarly the office of the Canadian Trade Commissioner, British Empire Building, Rockefeller Center, New York City, is in a position to follow up correspondence with New York buying offices of companies operating in Netherlands India. When exporters receive inquiries or orders from head offices in Holland or buying offices in New York, it is recommended that the officials mentioned above, as well as the Trade Commissioner at Singapore, be provided with copies of their correspondence, so that appropriate action may be taken in the form of follow-up calls.

NON-RESIDENT AGENCIES

Occasionally exporters grant agencies which include Netherlands India to firms in Holland, England, New York, Singapore, Shanghai, Hongkong, or else-

where. Unless such firms are the head office or buying office of a company actually established in Netherlands India, the granting of such agencies are rarely productive of results. A great many firms who apply for an agency territory covering practically the whole of the Far East, including Netherlands India, have no sales organization of their own in Netherlands India, and they endeavour to obtain orders by appointing some resident firm to act as sub-agent. Unless the circumstances are exceptional, this type of representation should be avoided. The market is too competitive to permit of the payment of more than one intermediate commission and, moreover, local firms holding such sub-agencies usually devote only half-hearted attention to them. Exporters who are approached with offers of representation of this kind should seek the advice of the Trade Commissioner before making a decision.

ARRANGING FOR REPRESENTATION

Manufacturers and exporters interested in the Netherlands Indies market may obtain preliminary information upon application to the Department of Trade and Commerce at Ottawa, where printed reports and correspondence concerning the sale of most commodities are available. If satisfied that there is a market for his product—bearing in mind (1) the particular nature of the demand due to climate and population and (2) that in almost every line world competition must be met—the intending exporter should then write to the Trade Commissioner's office at Singapore, supplying samples, catalogues, prices, and other data necessary for making an intelligent sales effort. Prices should, wherever possible, be c.i.f. Batavia and other main Netherlands Indies ports. Buyers here, especially Asiatics, usually require to see samples before they will place an order.

Depending upon the type of product offered, the Trade Commissioner will then take steps to interest a direct importer or manufacturers' representative, advising the inquiring exporter of the firm or firms who have expressed an interest. In making such recommendations the Trade Commissioner is forced to rely to a great extent upon his local knowledge. There are no sources of information such as Dun and Bradstreet, and opinions must be based on years of experience in the territory during which fairly extensive records of most importers have been compiled. If the exporter corresponds with any of the firms recommended by the Trade Commissioner, it is advisable to provide the latter with copies of correspondence so that personal follow-up calls may be made. (Attention is also directed to the previous comments concerning the assistance that can be given by the officials at Rotterdam and New York.) It is axiomatic that such personal contact frequently produces quicker and more satisfactory results than a lengthy exchange of correspondence between the exporter and the interested import firm or agent.

FACTORY REPRESENTATIVE

No matter how enthusiastic a Trade Commissioner may be, he cannot possibly perform a service comparable to that of the exporter's own representative who has a specialized knowledge of the product and can devote his full time to effecting an introduction. Wherever possible, therefore, Canadian exporters should send one of their own representatives to this territory. This is a procedure which is followed with great success by many British, American, Australian, and continental firms.

The Trade Commissioner should be advised well in advance of the arrival of such factory representatives, so that there will be time to prepare the ground. A suggested itinerary for these representatives, especially those from Western Canada with wide export connections in the countries bordering the Pacific, is first to visit Japan and China, continue south to Hongkong and the Philippines, thence

to British Malaya, proceeding home via Netherlands India, Australia, and New Zealand. Though fairly long, this trip may be accomplished more economically than most firms realize, and in the case of products possessing even fair sales possibilities the resulting increased business would be almost certain to warrant expenditures.

QUOTATIONS AND TERMS OF SALE

Wherever possible quotations must be c.i.f. main Netherlands Indies ports. Importers are inclined to disregard offers on an f.o.b. factory or even seaboard basis, as it is very difficult to compare these with offers from other sources on a c.i.f. basis and frequently in local currency. It is practically impossible to ascertain at this end the freight charges from Canada on a specified product. Quotations in Canadian currency are usually satisfactory except at times when there are wide fluctuations in exchange, in which case exporters should quote in guilders or sterling, whichever is the more stable.

Dealings with European import houses are usually on a cash against documents (D/P) basis. It should be noted, however, that it is a much appreciated gesture, a convenience and a courtesy, especially when air mails deliver the documents several weeks in advance of shipments, to instruct the bank not to present the documents until a day or two before the arrival of the steamer carrying the goods.

Chinese importers usually require more favourable credit terms such as 30, 60, or 90 days, documents on acceptance (D/A). Like the European importers, they are required to extend credit to the secondary dealers up to as much as 120 days. Most Chinese importers and a few of the European firms are unwilling to accept the full costs of this policy, and many manufacturers share it by granting the importer more favourable terms, such as 30 or 60 days D/A.

EXTENSION OF TERMS

An exporter represented by a manufacturers' agent is sometimes asked to extend the terms of drafts drawn direct on the agent's clients. Exporters should extend such terms only when they are certain of the reliability and judgment of the agent.

Occasionally, if sales are slow and business dull, some of the smaller importers and dealers are inclined to refuse acceptance of a draft if they can find a good cause for doing so. Any slight alteration in the quality or packing serves as an excuse in such cases. To protect his own interests, therefore, the exporter is well advised to appoint a reliable resident importer or agent to act "in case of need" when drafts are drawn direct on dealers. A slip bearing the name of the importer or agent to be notified should be attached to all drafts for the information of the collecting bank.

Letter of credit terms are rarely acceptable, and such offers are likely to receive no more attention than quotations on an f.o.b. factory basis. It is emphasized that the extension of credits has become one of the most important factors of competition in this territory, and it can hardly be expected that an importer will establish a credit in favour of a Canadian exporter if similar goods at competitive prices may be obtained on more favourable terms. Canadian exporters must be prepared to deviate somewhat from established practices when dealing with this territory and to accept the recommendations of reliable agents or of the Trade Commissioner in the matter of terms, especially when introducing a new line.

DISCOUNTS AND COMMISSIONS

Exporters should always list the discounts and commissions that apply when submitting quotations. While the importers are usually not interested in commissions, as they purchase outright and resell at the best possible price, the

inclusion of the rate of commission does no harm. Normally when dealing with an importer the commission is withheld, but if competition requires it, the importer may be advised to use the commission as an extra discount. The principal advantage of including the commission when quoting is that if it is found desirable to offer the line to a manufacturers' agent, no time will be wasted in getting down to business. The usual rates of commission are 5, 7½, or 10 per cent, depending upon the product. Commission rates are generally higher in Netherlands India than in western countries, because of the limited turnover in many lines, coupled with the disproportionately high sales costs and living expenses.

CONSIGNMENTS

Generally speaking, shipment on consignment is not recommended. However, there are special circumstances which might render a trial shipment on this basis advisable, e.g. to prove the saleability of a new line of goods, provided the consignee is reliable. A preferable alternative, however, is to offer a trial shipment on lenient terms, such as 120 days D/A.

GOVERNMENT BUSINESS

Many of the Netherlands Indies Government departments, the army, health services, etc., take care of their own buying, but for all purchases over a certain amount the requirements of the Government are purchased through the Central Purchasing Bureau (Indisch Centraal Aanschaffingskantoor—known locally as the ICA, pronounced EEKA), at Bandoeng, Java. This buying office is in charge of purchases made in Asia, Australasia, and Africa. Government buying offices in Amsterdam and The Hague take care of purchases in the continents of Europe and America.

The procedure is for the ICA to issue tenders to an approved list of suppliers in Netherlands India, Asia, Australasia, and Africa, and at the same time to send tenders to the Holland purchasing office, who then take steps to obtain offers from suppliers in Europe and America. The business goes to the most satisfactory tenderer, Netherlands Indies suppliers being given the benefit of a 10 per cent margin in price over all other tenderers when they can supply from stock or when the goods are manufactured locally.

Most materials purchased by the Government are subject to rigid standards and must pass tests either at the government laboratory or elsewhere before business is awarded. For this reason, and also because of the 10 per cent advantage enjoyed by local firms, Canadian exporters are advised to appoint a local representative in order to obtain government business. A further advantage of local representation is that it affords a direct and personal contact with government departments to service sales.

PACKING

In shipping to any part of the Far East packing cases must be particularly sturdy to withstand rough handling and pilferage and must contain no packing materials likely to be affected by high temperatures and humidity or to attract ants and other insects. It must be borne in mind that packages are handled by illiterate coolies who do not understand nor pay attention to such instructions as "use no hooks," "handle with care," etc., unless carefully watched by the dock clerks, although the latter rarely understand English either. Food products such as biscuits and chocolates should be in hermetically sealed tins or packages to offset deterioration from the climate and to prevent the entry of insects. Importers are usually glad to give complete instructions as to the most suitable type of packing and markings; exporters should request this advice with the first order, unless they have had sufficient experience to know the packing

and markings that will ensure that the goods land at destination in a satisfactory condition.

Weights should be shown in the metric system in order to facilitate customs clearance as well as to conform to local practice.

BRANDS

In common with other parts of the Orient, Netherlands India is a market where the importance of the brand or "chop" is exceeded only by that of price. The conservative buying habits of the Asiatics and their loyalty to a known brand is largely due to the fact that the great mass of consumers are illiterate; certainly comparatively few read English. Having found a product he likes at a price he can afford, the average Asiatic remembers some distinctive feature of the brand and always asks for it by that distinctive feature—e.g., an elephant, lion, umbrella, etc. To persuade him to buy something different or new is practically impossible unless the new article is offered at a much more attractive price. In introducing new lines that will have an appeal for the mass of the population, Canadian exporters should therefore give attention to the selection of a suitable brand, and, having once established it, should not make any change that might cause the buyers to think that the product is different.

REGISTRATION OF PATENTS, TRADE MARKS, AND BRANDS

Few Canadian exporters will find it necessary to register a patent in Netherlands India. Should this be necessary, the Netherlands Indies authorities have jurisdiction only in so far as deciding whether an application is prepared in conformity with the law as a preliminary to sending the application to Holland. The invention is examined and the patent rights for Holland and Netherlands India are granted by the patent office in The Hague. This same office also decides upon the protection of a patent already registered in other countries.

The registration of a brand or trade mark in Netherlands India is comparatively simple and inexpensive (about Canadian \$35 per registration) and is recommended once a brand shows any indication of becoming established in the market. Netherlands Indies law gives prior claim to the first user of a brand, but registration provides proof of such use. Any resident agent can take care of the registration if provided with the necessary power of attorney. Canadian firms should take care when registering a brand or trade mark that the registration is in their own name and not that of the agent. In this way the establishment of the name in the market is to the benefit of the manufacturer should the original agent later prove to be unsatisfactory.

REGULATION OF FOOD AND DRUG SALES

Full particulars of the Netherlands Indies laws governing the sale of food and drugs are available to interested Canadian firms on application to the Department of Trade and Commerce, Ottawa. These regulations in general impose no conditions with which firms whose products conform with Canadian regulations cannot comply. Recent legislation, however, establishes special requirements for the packing of cheese, butter, flour, margarine, and pharmaceuticals and for the labelling and sale of drugs and medicinals containing poisonous ingredients. Exporters interested in the sale of these products in Netherlands India should request advice as suggested above.

ADVERTISING

Newspapers, periodicals, billboards, electric and Neon signs, tramcar posters, direct mail and distribution of samples, and all the familiar media of advertising

are in use in Netherlands India. The class of goods, and hence the type of consumer, is a more important factor in advertising here than in Canada or other western countries. The advertising program will vary greatly, depending upon whether the goods are for sale to the limited European and better-class Asiatic trade or to the very much larger native population. In every case, however, the language question arises, and attention must be given to proper translations into the Dutch or Malay languages. It is not necessary to translate into Chinese, as all Chinese residents of Netherlands India speak Malay more than they do their native tongue. Appeal to the native market is best made through pictures, as most of the natives are illiterate.

The use of slides at the intervals in cinema performances is unfamiliar to most Canadians, but this method of advertising is very popular in Netherlands India, especially for goods having a sale to Europeans and the higher-salaried Asiatics who attend movies.

Any reliable agent can recommend the most suitable form to be adopted for an advertising campaign, and there are several good advertising agencies in a position to advise as to the media most likely to produce the best results.

OPPORTUNITIES FOR CANADIAN EXPORTERS

The value of imports from Canada into Netherlands India fell from a peak of about \$3,000,000 in 1928 to just under \$1,000,000 during the slump years 1931 and 1932 but have risen again to over \$2,000,000 in 1938, according to Netherlands Indies official returns. These imports consist chiefly of flour, canned fish and fruit products, artificial fertilizers, clothing, newsprint and bond paper, motor cars and accessories, and sundry specialty lines that appeal mainly to the well-to-do classes.

For the bulk of the Netherlands Indies demand, low-priced goods are wanted. The market offers vast possibilities for any exporter with a product suitable for the native trade, provided it can be sold at competitive prices. Such products are rare in Canada and, if offered, find difficulty in competing with the much cheaper qualities offered by Japan, Germany, and other countries that feature the mass production of articles for the Far East native trade.

However, there is a large and growing market in Netherlands India for what might be termed specialty lines for sale to Europeans and the steadily increasing number of well-to-do Chinese and other Asiatics. A market also exists for a variety of building materials and raw and semi-manufactured goods for the small but growing industries to which reference was made in a preceding section under "Manufacturing." Packaging and wrapping materials might be mentioned as belonging to this latter class. Moreover, the present unsettled political and economic situation in Europe and the Far East is turning the attention of importers in this part of the world to other sources of supply. Economically sound and efficiently governed, Netherlands India offers a reliable market for a wide range of Canadian goods, such as suggested above, through import firms whose standing, integrity, and organization are the equal of those to be found in any western countries. Canadian exporters interested in the possibilities for the sale of their products in Netherlands India are reminded that this market is in the territory of the Canadian Government Trade Commissioner, Union Building, Singapore, S.S., who is in a position to offer practical advice and assistance.

SUMMARY OF THE TRADE OF CANADA; MONTH, NINE MONTHS, AND TWELVE MONTHS ENDING SEPT. 1939

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of September 1939				Nine Months ending September 1939				Twelve Months ending September 1939			
	Total Imports	From United Kingdom	From United States	\$	Total Imports	From United Kingdom	From United States	\$	Total Imports	From United Kingdom	From United States	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	12,640,498	1,693,938	3,711,734	88,735,068	10,190,294	31,391,985	121,947,560	14,839,096	41,486,640			
Animals and Animal Products.....	2,642,664	297,520	1,591,018	22,144,954	3,120,928	11,207,387	28,245,532	4,346,225	13,675,573			
Fibres, Textiles and Textile Products.....	7,222,805	2,987,030	2,941,096	68,157,752	30,869,410	23,875,607	40,128,861	32,576,241	36,572,183			
Wood, Wood Products and Paper.....	2,911,253	216,210	2,537,837	23,611,543	2,279,463	19,829,695	31,912,606	3,288,297	26,572,927			
Iron and its Products.....	16,308,834	1,401,021	14,361,526	122,350,676	4,428,843	103,737,269	159,943,647	18,808,555	135,669,709			
Non-Ferrous Metals and their Products.....	3,430,659	259,290	2,595,776	27,945,324	4,004,684	18,871,795	37,008,360	5,578,360	24,631,469			
Non-Metallic Minerals and their Products.....	16,876,020	783,708	14,323,862	92,722,309	8,999,035	72,839,177	124,299,001	12,534,765	96,573,895			
Chemicals and Allied Products.....	5,097,566	627,527	3,874,129	28,822,797	5,338,328	19,275,692	39,596,168	7,591,298	25,127,801			
Miscellaneous Commodities.....	6,433,972	956,225	4,892,448	40,840,296	7,058,257	29,432,575	53,714,901	8,822,485	39,295,359			
Total Imports, 1939.....	73,564,271	9,252,769	50,799,416	515,331,719	86,289,242	330,461,192	686,830,314	115,937,942	435,788,870			
1938.....	56,411,727	10,014,786	34,705,180	505,952,759	89,643,730	319,402,889	721,831,051	127,084,861	448,454,993			
1937.....	70,240,465	12,684,717	41,551,197	593,018,033	109,850,420	361,452,869	777,342,504	143,390,991	465,290,252			
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	20,040,021	9,592,255	7,013,888	129,486,216	67,700,371	26,771,465	199,068,309	106,380,379	40,918,177			
Animals and Animal Products.....	9,703,522	5,138,042	3,324,909	91,957,363	49,837,824	32,103,508	125,759,526	69,329,043	41,788,448			
Fibres, Textiles and Textile Products.....	21,577,922	4,361,203	5,770,600	111,448,744	3,137,627	1,890,101	14,518,641	3,913,498	2,292,464			
Wood, Wood Products and Paper.....	4,506,645	1,055,340	14,274,338	171,279,592	34,655,534	112,764,673	229,218,257	44,640,373	152,775,925			
Iron and its Products.....	17,226,944	7,073,024	4,009,333	49,053,465	61,023,712	3,448,448	61,023,712	15,136,852	14,442,266			
Non-Ferrous Metals and their Products.....	3,009,182	451,624	5,337,825	13,709,949	65,431,821	32,865,986	185,383,588	88,203,559	41,704,473			
Non-Metallic Minerals and their Products.....	2,174,861	442,514	1,535,862	18,617,110	2,917,776	9,877,717	25,983,773	3,027,800	13,205,178			
Chemicals and Allied Products.....	1,475,586	442,514	846,574	17,576,523	4,605,811	7,281,651	22,445,073	6,116,303	8,870,318			
Miscellaneous Commodities.....	1,475,586	442,514	772,361	12,180,287	3,434,888	6,101,074	15,947,453	4,306,771	8,094,714			
Totals, 1939.....	81,461,185	29,189,305	34,132,090	635,308,550	243,795,164	233,104,639	879,344,622	341,084,578	314,222,093			
1938.....	72,208,271	28,801,011	25,120,091	599,547,545	242,359,271	139,343,735	863,632,355	363,070,004	274,362,400			
1937.....	82,505,340	33,185,781	32,306,736	728,282,408	281,351,361	274,993,415	1,029,104,420	417,112,668	376,632,340			
<i>Exports (Foreign Produce)</i>												
Totals, 1939.....	995,397	63,836	847,651	7,731,539	697,500	6,398,950	10,643,063	1,063,075	8,700,699			
1938.....	902,853	99,042	831,316	8,185,092	1,430,115	5,994,958	11,071,906	1,699,497	9,314,870			
1937.....	1,064,221	102,371	851,316	11,871,648	1,057,142	9,888,742	17,102,801	1,278,047	14,559,531			
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1939.....	(e) 8,892,311	(c) 20,000,472	(i) 15,819,645	(e) 128,708,370	(e) 158,133,422	(i) 90,957,603	(e) 203,157,371	(e) 228,119,711	(i) 112,886,078			
1938.....	(e) 16,097,427	(c) 18,958,267	(i) 8,552,200	(e) 96,783,778	(e) 154,145,656	(i) 124,064,166	(e) 132,873,210	(e) 237,654,640	(i) 165,777,668			
1937.....	(e) 13,329,095	(c) 20,603,435	(i) 8,303,125	(e) 147,136,023	(e) 172,558,083	(i) 76,570,709	(e) 268,864,717	(e) 274,999,714	(i) 74,098,381			

TRADE OF PANAMA IN 1938

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, October 16, 1939.—The removal from the United States inter-coastal shipping service via the Panama Canal of six large luxury ocean liners early in 1938 proves to have been the major factor in a decline in the foreign trade of Panama during that year as compared with the calendar year 1937. Tourist traffic for many years has been Panama's most important source of income and the rapid decline during 1938 in the number of tourists passing through the isthmus has resulted in decreases both in local purchasing power and in imports of foreign merchandise.

FOREIGN TRADE

Total imports into Panama during the calendar year 1938 were valued at U.S.\$17,651,454 as compared with U.S.\$21,896,032 for the calendar year 1937, a decrease of U.S.\$4,234,578. Total exports from Panama were valued at U.S.\$3,743,968 as compared with U.S.\$4,077,181 for the previous year, a decrease of U.S.\$333,213. The total value of re-exports from Panama also declined during 1938 to U.S.\$3,743,251 from U.S.\$4,551,470 in 1937, a decrease of U.S.\$808,219. Excluding the re-exports, the decline during 1938 in Panama's total foreign trade as compared with 1937 amounted to U.S.\$4,567,791, or 17·6 per cent.

BALANCE OF TRADE

The Republic of Panama is not an exporting country of any importance and therefore has an adverse balance of trade annually. However, the adverse balance of trade is not of great importance since foreign payments are met for the most part from cash received for services rendered and goods sold to tourists and in the Canal Zone. It is noteworthy that the more prosperous and profitable are tourist traffic and business with the Canal Zone the greater is Panama's unfavourable balance of trade. For instance, the year 1937 was a better year for Panama than 1938 and the unfavourable trade balance for 1937 was U.S.\$17,-818,851 as compared with an unfavourable balance of trade for 1938 of U.S.\$13,-907,486. In other words, while exports remained fairly consistent as to volume, the volume of imports into Panama varies directly with income derived from tourist traffic and trade with the Canal Zone.

EXPORTS

Of total exports from Panama during 1938 valued at U.S.\$3,743,968, the United States purchased to the value of U.S.\$3,339,671 and the Canal Zone, which is also American territory, to the value of U.S.\$182,079. The United States and the Canal Zone thus purchased 94 per cent of the total value of all Panaman exports during 1938.

The following tables show the total value of exports from Panama by principal countries of destination and by principal commodities for the calendar years 1937 and 1938:—

Exports from Panama to Principal Countries

	1937 U.S.\$	1938 U.S.\$
United States.. . . .	3,697,640	3,339,671
Canal Zone	161,776	182,079
Germany	94,745	147,550
United Kingdom	47,282	22,934
France	10,743	.....
Canada	18,374	.....
Japan	1,108	.....

Exports from Panama by Principal Commodities

	1937 U.S.\$	1938 U.S.\$
Bananas	2,578,104	2,755,029
Cacao	359,015	441,783
Beef	150,792	207,262
Gold	186,799	170,106
Coconuts	132,255	73,549

IMPORTS

The United States enjoys a predominant position in the foreign trade of Panama both as to exports and imports. The total value of imports into Panama during the calendar year 1938 was U.S.\$17,651,454, of which the United States is credited with supplying to the value of U.S.\$10,139,378.

The following table shows the imports into Panama from principal supplying countries in the calendar years 1937 and 1938:—

Imports into Panama from Principal Countries

	1937 U.S.\$	1938 U.S.\$
United States	11,356,592	10,139,378
Japan	3,089,308	1,633,923
Germany	1,168,818	1,101,824
United Kingdom	1,275,467	840,934
France	673,839	398,950
Canada	108,377	81,153

The countries listed above supply the bulk of Panama's import requirements and in every instance it will be noted that 1938 totals show a decrease as compared with 1937.

The following table shows the quantities or values of the principal commodities imported into Panama during the calendar years 1937 and 1938:—

Imports into Panama by Principal Commodities

	1937	1938
Cement	38,585,700	20,429,688
Lumber	11,215,134	10,251,705
Flour	196,127	186,421
Potatoes	2,338,613	2,243,034
Corrugated galvanized iron sheets	1,071,537	1,230,947
Flat galvanized iron sheets	368,688	391,167
Evaporated milk	1,818,954	1,677,372
Condensed milk	552,040	224,254
Powdered milk	108,646	128,229
Butter	888,451	932,059
Cheese	142,500	130,234
Codfish	377,265	525,801
Newsprint	699,285	957,677
Whisky	256,620	230,018
Gin	19,084	848
Leather	49,066	39,433
Silk hosiery	116,276	233,756
Cotton hosiery	132,517	40,644
Sardines	450,224	376,006
Canned salmon	178,760	150,921
Biscuits	295,580	228,445
Auto tires and tubes	221,303	263,458

CANADIAN TRADE WITH PANAMA

The foregoing list of imports into Panama includes all of the important items exported from Canada to Panama. Total imports into Panama from Canada during 1938 were valued at U.S.\$81,153, according to Panama trade returns. However, this figure does not cover all purchases from Canada, since consider-

able quantities of Canadian merchandise shipped through American ports are entered in Panama statistics as being of American origin. The total value of Canadian exports to Panama during 1938 probably was four times greater than the figure given in the official Panama statistics.

The continued lack of shipping facilities from Eastern Canada to the Republic of Panama is a serious handicap to Canadian exporters who must meet American competition. Canadian exporters should make a careful study of the most economical method of shipping to this country. In cases of items which may be so forwarded it is believed that parcel post will prove the cheapest.

JAPAN'S SUMMER AND AUTUMN COCOON CROP, 1939

A. K. DOULL, ACTING TRADE COMMISSIONER

Kobe, October 10, 1939.—According to a report of the Department of Agriculture and Forestry, the summer-autumnal cocoon crop for this year, as at September 25, is estimated at 339,387,871 pounds, of which 339,287,925 pounds are white and 99,946 pounds are yellow cocoons. This estimate, when compared with the actual yield for last year, shows an increase of 55,301,674 pounds or 19.5 per cent.

The actual crops of summer-autumnal cocoons during the last five years have been as follows: 1934, 320,340,719 pounds; 1935, 313,240,986; 1936, 343,078,177; 1937, 334,552,511; 1938, 284,086,197 pounds.

TARIFF CHANGES AND TRADE REGULATIONS

Ireland

IMPORT RESTRICTIONS ON APPLES

Mr. James Cormack, Canadian Trade Commissioner in Dublin, cables that, effective November 7, the importation of raw apples into Ireland is prohibited except under licence. Dessert and cooking apples are so exceptionally plentiful that supplies will probably last until February.

IMPORT QUOTAS ON WOVEN TISSUES OF WOOL AND WORSTED

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by two orders of the Government of Eire, both dated September 29, 1939, further quotas for the importation of the undermentioned goods into Ireland during the period November 1, 1939, to April 30, 1940, have been fixed as follows:—

Woven tissues of wool and worsted, exceeding 2s. per square yard, 270,000 square yards as against 400,000 square yards for the previous six-months' period. Of the new quota 265,000 square yards must be manufactured in the United Kingdom or Canada.

Woven tissues of wool and worsted, exceeding 1s. 3d. but not 2s. per square yard, 550,000 square yards as against 800,000 square yards for the previous six-months' period. Of the new quota 540,000 square yards must be manufactured in the United Kingdom or Canada.

NEW DUTIES ON WOVEN TISSUES

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that by an order of the Government of Eire effective October 18, 1939, duties are imposed on imports into Ireland of woven tissues exceeding 1s. 6d. per square yard in value and not exceeding 18 inches in width, which have two selvages and are made of silk or artificial silk or a combination of both or with an admixture of cotton.

The rates of duty on these tissues, which formerly entered duty free, are 40 per cent on imports from Empire countries and 60 per cent ad valorem on imports from other countries.

Subject to the terms of the United Kingdom-Eire Trade Agreement, a licensing provision, whereby these rates may be reduced, is attached to the order imposing these duties.

WHEAT MIXING REGULATIONS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, reports that the Minister for Agriculture issued an order on October 12, 1939, increasing from 30 to 35 per cent the proportion of home-grown wheat to be milled by licensed millers during the cereal year September 1, 1939, to August 31, 1940.

The proportion of 30 per cent was fixed on September 1, 1939, but it has since been found that the wheat crop is better than was anticipated, and accordingly the proportion has been increased to 35 per cent.

Australia

TARIFF DECISIONS

Recent Australian customs decisions as to the tariff classification and rates of duty on articles regarding which question had been raised include the following:—

Jigs, being hand tools of trade and not being machines; stocks (chaser pattern); pipe wrenches of all kinds, and other wrenches of the adjustable type only (except tap wrenches of all kinds), free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-laws under Item 219C).

Electrical cable (not being weatherproof braided aerial cable), having a single or stranded copper wire core lapped with a varnished cotton cambric tape and having an outer covering of braided cotton, 20 per cent ad valorem under British preferential tariff, 37½ per cent if from "most favoured nations," 45 per cent if from other non-British countries, rates to increase as present Australian exchange depreciation is lessened (Item 181-B-1-a).

The following are among articles specified by by-law for admission under Item 404 as materials not commercially produced in Australia, to be used in the manufacture of goods within the Commonwealth: black iron and steel plates and sheets, No. 30 gauge, for the manufacture of metal ceilings; hoe point iron and steel, No. 18 gauge by No. 7 gauge by 2½ inches, for the manufacture of agricultural machines and appliances; stainless steel blades for use in the manufacture of table knives and dessert knives; paper, unprinted and unwaxed, for the manufacture of wrappers for cartons for Australian explosives. Such goods are free of duty under British preferential tariff and subject to 15 per cent ad valorem under general tariff.

Ferro-rok flat iron sheets; cellactite roofing sheets, whether corrugated or in the flat, 90s. per ton (2,240 pounds) under British preferential tariff, 130s. per ton under general tariff (Item 145).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates, except where rates for "most favoured nations" are stated.

TARIFF AMENDMENTS OF SEPTEMBER 23: PAPER

With reference to the notice in *Commercial Intelligence Journal* No. 1862 (October 7, 1939), page 674, regarding the resolution of the Australian Parliament on September 23 amending Customs Tariff Item No. 334(F), information

has been received of by-laws prescribing kinds of paper for admission under sub-section 2 (a). The full item reads:—

Item No.	British Preferential Tariff	General Tariff
334 (F) Paper irrespective of size or shape but not ruled or printed in any way, viz.: coated printing paper; glazed imitation parchment; printing paper not elsewhere included in the tariff; writing and typewriting paper not including duplicating paper:		
(1) In rolls less than 13 inches in width; in sheets less than 21 inches in length or less than 16½ inches in width . . .ad val.	30%	55%
And for each £1 by which the equivalent of £100 sterling is less than £125 Australian, additional duty ofad val.	0.4%	0.4%
(2) In rolls not less than 13 inches in width; in sheets not less than 21 inches in length and not less than 16½ inches in width:		
(a) As prescribed by by-laws.per 2,240 lbs.	Free	£4
(b) Other than paper prescribed by by-laws under sub-paragraph (a)per 2,240 lb.	£3 10s.	£8
and for each £1 by which the equivalent of £100 sterling is less than £125 Australian, additional duty of		
per 2,240 lb.	2s. 9d.	2s. 9d.

By-laws under (2) (a) prescribe papers for admission as follows:—

Duplex paper; hand-made paper; tub-sized ledger paper; mill glazed paper; mould made paper; paper weighing not more than 23 pounds for 480 sheets 20 inches by 30 inches for use in the manufacture of paper d'oyleys by embossing; imitation glazed parchment paper; printing paper, viz. coated, imitation art, embossed offset; sensitized paper for cheques; writing paper, viz. bank, tub-sized.

Canadian papers classifiable under Item 334(F) are entitled to British preferential tariff rates.

Ceylon

LICENSING OF IMPORTS

Mr. Paul Sykes, Canadian Trade Commissioner in Calcutta, cables that Ceylon newspapers announce that import control regulations were brought into force in Ceylon on November 1, and that in future licences will be required for imports from Canada. Later information will be published on receipt of further details.

Trinidad

NOTICE AFFECTING LICENSING IMPORTS

With reference to the article in *Commercial Intelligence Journal* No. 1864 (October 21, 1939), page 753, concerning the licensing of imports into Trinidad, the *Trinidad Gazette Extraordinary* of October 31 announced that until further notice importations of articles (usually sold in "dry goods" stores) from Canada, Newfoundland, Hongkong, the Sudan, and all foreign sources is prohibited, provided that until further notice importations of the articles in an attached schedule will be permitted under licence from the countries indicated. As regards Canada, the schedule contains a large variety of cotton piece-goods and wearing apparel; oilcloth; elastic; pillows; iron cots; bed springs and accessories; razor blades; trunks, bags, wallets, pouches, of leather or resembling leather; packing wrapping paper; paper bags; buttons; sanitary towels.

Grenada

TARIFF ON SUGAR AND MARINE MACHINERY

An ordinance of Grenada (B.W.I.) dated October 4, 1939, increases the duty on refined sugar from 10s. to 17s. 6d. per 100 pounds British preferential tariff and from 15s. to 26s. 3d. per 100 pounds general tariff. Marine machinery imported for use in intercolonial trade, which was formerly free of duty British preferential and 15 per cent ad valorem general tariff, is now dutiable at 5 per cent ad valorem British preferential and 10 per cent ad valorem general tariff.

Canadian products are accorded the British preferential tariff.

Netherlands

EMERGENCY LEGISLATION

Mr. James A. Langley, Canadian Commercial Attaché at Rotterdam, writes under date October 16, that, owing to the current situation in Europe, it has been necessary for the Netherlands Government to institute a series of emergency measures in order to ensure an adequate supply and proper distribution of various commodities. Following is a brief resumé of the legislation enacted.

EXPORT PROHIBITIONS

One of the first steps was to prohibit the exportation of a number of products. The list of articles affected has subsequently been extended and includes the following:—

Textile products; raw materials for the textile industry; chemicals and chemical products; soap; tar; oils and fats; metals and metalware; hides and skins; leather and leather goods; footwear; rubber and rubber products; wood and wood products; medicines; air raid precaution equipment; arms and ammunition; bones, bone flesh and bone black; bleaching earth; matches; automobiles, tractors, motor cycles, auxiliary motors for bicycles, and parts of these articles; paper and cardboard of all kinds; wood-pulp; straw-pulp; glass and glassware; cylinders and bottles for compressed gas, whether or not filled; wine; brushes; feathers; kapok; waste of films; films, exposed or not; plates and paper for photographic use; building materials; gasoline, benzol, etc.

In special cases exemptions may be granted; application must be made to the Crisis Export Bureau, The Hague. General exemptions, subject to a licence being granted, have been made as regards flax whether or not processed; offal of flax and linen yarns; yeast; animal organs and other slaughterhouse offal, although all these commodities appear on the list of prohibited exports. Under the present circumstances, however, it is exceedingly doubtful if favourable consideration will be given to requests for the exemption of other products.

CRISIS PRODUCTS

Based on the provisions of the Agricultural Crisis Act of 1933, the Government has ordered that, in addition to the commodities already so designated a number of others shall be regarded as "crisis products." This means that the authorities may take such measures as are deemed necessary in connection with imports, exports, manufacture, transport, distribution, etc. Following is a list of the various crisis products together with names of the official organizations through which importation and exportation must be made; the control of imports and exports is in the hands of these organizations, and at the present time only limited or no shipments abroad are allowed:—

Netherlands Central Agriculture Office, The Hague.—Wheat; rye; oats; barley; maize; spelt; pulses (except soya beans), processed or not and offal thereof; potatoes, fresh or dried, processed or not, with the exception of potato flour, potato flakes, potato offal, potato pulp; early potatoes during the period from August 1 to March 31, inclusive; sugar beets, processed or not; sugar; offal of sugar beets; green and dried chicory roots, processed or not; hay and all other fodder; straw, processed or not; flax and flax offal; poppy seed; mustard seed; caraway seed; rapeseed; canary seed; osier; reed.

Netherlands Central Egg and Poultry Office, Beekbergen.—Hens', ducks' and birds' eggs, whether or not in the shell; albumen and egg yolks; poultry, live and dead; dried shrimps, whether or not processed.

Netherlands Central Vegetable and Fruit Office, The Hague.—Fresh, dried and preserved vegetables; fresh, dried and preserved fruits; fruit pulp; fruit jams; early potatoes during the period from April 1 to July 31, inclusive.

Netherlands Central Flour Office, The Hague.—Rice; buckwheat; kaffir corn; millet seed; alfalfa meal; cassava; sago; tapioca; dextrine, dextrose and other kinds of starch; potato flakes; potato offal; potato pulp; syrups; melada; molasses; products obtained by processing wheat, rye, oats, barley, maize or any other of the aforesaid crisis products, including by-products and offal; glucose; oil seeds, kernels and nuts, except rape, mustard and poppy seeds; honey and artificial honey; cocoa beans and kernels, processed or not;

coffee; tea; cocoa; all kinds of fish, whale, animal, meat, bone and blood meals; gum arabic and other gums.

Netherlands Central Cattle Office, The Hague.—Horses, cattle, sheep and hogs; meat and meat products.

Netherlands Central Potato Flour Office, Veendam.—Potato flour, dextrine and glucose (for export only).

Netherlands Central Fishery Office, The Hague.—Pickled herring; steamed and smoked herring; herring packed in tins or glass containers; steamed and smoked fish; salted and dried fish; eels, fresh, smoked or packed in tins or glass containers; fresh, chilled and frozen herring; fresh, chilled and frozen sea fish, inclusive of liver and roe; shrimps; oysters; mussels; anchovy; preserved fish n.o.p.

Netherlands Central Dairy Office (Dairy Department) The Hague.—Milk; butter; cheese; milk products; casein and rennet.

Netherlands Central Dairy Office (Margarine Department), The Hague.—Animal and vegetable oils and fats as well as products consisting of or manufactured with at least 25 per cent thereof.

CONTROL OF IMPORTS

Based on the provisions of the Emergency Import Law, promulgated on September 11, 1939, the Netherlands Government is authorized to prohibit the importation of merchandise to be designated, unless permission for entry is granted by or on behalf of the Minister of Economic Affairs. The Netherlands Central Import Office at The Hague has been charged with the control of imports and the granting of import permits. Up to date the commodities to come under this legislation have not been made public.

IMPORT RESTRICTIONS

Since January 1, 1932, the importation into the Netherlands of certain commodities has been subject to quota restrictions. In view of the present circumstances, owing to which a considerable percentage of foreign supplies has been cut off, it is expected that there will be a great relaxation as far as the granting of import permits is concerned. The quota restrictions on plywood and cocoa-mat floor coverings and stair carpets, which expired on September 30, 1939, have not been continued.

DOMESTIC DISTRIBUTION

In addition to the foregoing measures, the domestic distribution and transportation of certain commodities have been placed under official control. For this purpose Government offices have been established to cover the following products:—

Raw wool; artificial wool; wool offal; woollen yarns; woollen rags; cotton; raw cotton; cotton offal; cotton yarns; jute; jute yarns; jute cloth; jute bags; tanning materials; synthetic tanning materials; hides and skins, prepared or not, including those of horses, cattle, calves, sheep and goats; medicines; wood-pulp; pulpwood; rosin; old paper; paper offal and rags not or not largely consisting of wool or cotton; rubber; new and used rubber tires and casings for automobiles and motor cycles; insulated electrical wires; lubricating oil; mineral lubricating oils and fats; iron and steel; scrap iron and steel; iron and steel alloys; iron ore and roasted pyrites; all other metals and scrap metals, except gold and silver; certain chemicals; coal tar; soap; wood; plywood; coal; coke; peat and coal and peat briquettes; building materials; fuel oil; paraffin oil; gasoline and benzol; bones for chemical purposes; fertilizers; sugar beets; sugar and most other food-stuffs with the exception of fruits and vegetables.

RATIONING OF COMMODITIES

Sugar will be rationed as from October 16, 1939, when one-half kilo (1.1 pound) will be available for each person every two weeks. It is expected, however, that as soon as the new sugar crop comes on the market the quantity allowed will be increased.

Rationing of paraffin oil for household purposes is also expected in the near future.

EXPORT PROHIBITIONS

With reference to the notice in *Commercial Intelligence Journal* No. 1859 (September 16, 1939), page 563, Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, advises that by royal decrees of October 2, 1939, an additional number of export prohibitions have been announced. Exemption may be granted in special cases upon application to the Crisis Export Bureau, The Hague. Among the commodities affected are the following:—

Paper and cardboard of all kinds, except strawboard; tinplate; safety valves; mamometers; water gauges; tools and implements for woodworking; films, exposed or not; plates and paper for photographic purposes; new and used wooden cases and boxes; barrels and cooperage stock; doors, windows; cylinder and bottles for compressed gas, whether or not filled; glass of all kinds; straw-pulp; ores of all kinds; wine; rubber; balata and gutta-percha; electrical wires and batteries; animal hair, feathers and kapok; floor coverings; oilcloth; socks and hosiery; woven belting and conveyors; linen and cotton buttons; yarns of pure silk, yarns of pure silk or artificial silk with other materials, yarns of pure silk with artificial silk; dry goods of flax, hemp, or half linen; blankets; waste or tissues and yarns; fire hose of hemp or linen; objects consisting wholly or chiefly of piece-goods, fabrics, or tissues; coal, coke, coal briquettes, peat and peat briquettes; various chemicals.

IMPORT RESTRICTIONS ON PLYWOOD ABOLISHED

With reference to the notice in *Commercial Intelligence Journal* No. 1811 (October 15, 1938), page 697, Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, writes that the restrictions on the importation into the Netherlands of plywood are abolished as from October 1, 1939.

OFFICE AT THE HAGUE TO CONTROL IMPORTS

With reference to the notice in *Commercial Intelligence Journal* No. 1863 (October 14, 1939), page 713, Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, writes under date October 13, 1939, that, based on the provisions of the Emergency Import Law of 1939, the Minister of Economic Affairs has charged the Central Netherlands Import Office at The Hague with the control of imports and the granting of import permits for goods to be designated by the Government. So far no commodities have been specified.

Denmark

NEW REGULATIONS FOR THE ENSURING OF ESSENTIAL SUPPLIES

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, writes under date October 12 that the Danish Government passed a law on September 2, which went into effect immediately, with regard to extraordinary measures to be taken to ensure the country's supplies.

By this law, the Minister for Commerce, Industry, and Shipping is given the power to take any steps deemed necessary to purchase goods, both domestic and foreign, and can issue regulations for the control of prices, the limitation of consumption, and the allotment of stocks. In addition, the Minister has the power to prohibit, to whatever extent may be found necessary, the export of certain products, the rerouting and the sale to foreign countries of any goods destined for Denmark. For products which are controlled by the Minister of Agriculture and Fisheries, the necessary steps will be taken after conference with the Minister of Commerce, Industry, and Shipping.

For the administration of this law, a council is to be formed consisting of the representatives of the two ministries concerned, together with eight members of the Danish Parliament. Other members may be appointed who have expert knowledge on special subjects. The council reports to the ministries concerned as to measures which should be taken for the protection of Danish economy and may suggest the fixing of maximum prices and rationing cards.

In accordance with the terms of this law, an institution known as the Bread Grain Office has been set up, whereby this institution is to provide for the entire importation of bread grain into Denmark. It has the monopoly of importing all bread grains, as well as making the necessary arrangements for purchases, chartering, and the allotment of shipments upon arrival. The distribution of parcels of grain purchased through the office will be divided among the members of the institution, which, for the most part, are the Danish flour mills, in accordance with the applications received beforehand for supplies.

EXTENSION OF IMPORT PERMIT SYSTEM

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, cabled November 1, 1939, that the Danish authorities had subjected to import permits a wide range of goods including hides and skins, paper pulp, timber, pasteboard, cardboard, paper, carbide, iron, copper and brass wire, which were formerly free of import restrictions.

Sweden

WHEAT AND RYE IMPORT TAX ABOLISHED

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, writes that a Royal Swedish Resolution, effective October 9, 1939, abolishes the import tax of 5 kronor per 100 kilos (at current exchange 60 cents per 100 pounds) on imported wheat and rye.

There still remains a customs duty of 3.7 kronor per 100 kilos (44.5 cents per 100 pounds) on imported wheat and rye.

TENDERS INVITED

Australia

Copies of specifications have been received from Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, for one high-pressure electrically driven centrifugal pump required by the Department of Railways for New South Wales. These specifications are open for inspection by interested Canadian firms at the Department of Trade and Commerce, Ottawa, where tender forms are also available.

Tenders should be addressed to the Canadian Trade Commissioner at Sydney, or to Messrs. Kendall, Knight & Co. Ltd., 69 York Street, Sydney, to include in either case a commission for this firm.

Tenders close December 20, 1939.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Chile

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, October 25, 1939.—Exchange control is carried out stringently in Chile. Of the foreign exchange obtained by exporters a portion must be surrendered to the Commission for International Exchanges, while the balance, known as "barter" or "export" exchange, may be used for approved imports or sold through an authorized bank to third parties for that purpose as and when authority may be granted by the commission. Since 1937 the policy has been directed to the maintenance of the Chilean peso at rates of 25 pesos to the United States dollar for "export" drafts. For most of the present year, however,

this exchange when used for luxury articles has been obtained at rates around 31 Chilean pesos to the United States dollar. The latter rate is the same as for the "gold" or so-called "free market rate." All of these rates are distinct from the "official" rate of 19·37 pesos to the United States dollar and from the "curb" or "black" market rate which ranged from 33 pesos to about 36 pesos to the United States dollar during most of the second quarter and the first month of the third quarter. Transactions on the "black" market are, of course, without the law. Since the outbreak of war in Europe, the "black" rate has strengthened appreciably.

It has been the practice during this present year for the Exchange Commission to require importers to submit to them prospective orders from abroad, together with a complete statement of imports of each individual item imported in 1938 and 1937 by the applicant for an exchange permit. Not more than 70 per cent of imports for all items of the average of the two years may be obtained by individual importers.

There was a general shortage of foreign exchange available to importers during the first half of the year, but the demand fell off about the end of June and through July, as it was well known that exchange was not available. Large amounts were released at the beginning of August. This did much to relieve the situation. The "free market" or "gold" rate, however, was employed rather generally by the commission instead of for luxury lines only. In the latter part of August sterling and dollar cover continued to be granted but in smaller quantities than in the first half of the month.

FALL IN PESO RATE

On August 27 the "black" market rate, which had hovered between 34 pesos and 33 pesos to the United States dollar for the previous two months, began to decline and by September 5 had fallen to 30·50 pesos. As this was less than the "gold" or "free market" rate, exchange that ordinarily would go to the "curb" market started flowing into the banks, even from the brokers. On September 6 efforts were made by the commission and the banks to stabilize the market. To do so the former added many articles to the list of products to be financed with "free market" as opposed to the "export" exchange. The banks withheld from the purchase of "black" exchange and in consequence "curb" rates became nominal, a situation which continued for several days. On September 9 the "black" market opening quotations were 28·50 pesos buying and 29 pesos selling as compared with 30·75 pesos buying and 31 pesos selling for "free" or "gold" market dollars and with 25 pesos for "export" exchange. During the following week fairly large amounts of exchange were released to the banks by the Amortization Institute and applications for exchange were granted rather freely. The banks were orally informed by the commission that "free market" exchange could be purchased only at 25 pesos to the United States dollar, which meant that, as the prevailing rate had been higher, the "black" exchange could no longer be available for legal markets. "Free market" exchange is reported to be still available but this arises from gold exchange and funds of the Development Corporation.

The heavy accession of funds through the "black" market at the beginning of the month was due to the reversal in the direction of Chilean capital which for more than six months had been steadily leaving Chile. With the outbreak of war not only did much of this capital return but the demand for exchange for travel almost ceased.

CONTROL OF PRICE LEVELS

As a result of the abnormal situation, the Government issued a statement to the effect that the Exchange Control Commission was in a position to con-

tinue the normal delivery of foreign exchange and that no restrictions would be introduced in this respect in connection with the normal import trade of the country. Internal price levels, which rose following the outbreak of the war, were stated to be due to the confusion originating in international developments and, to resolve the difficulty created, the Government had given power to the Exchange Control Commission to adopt necessary restrictive measures in the case of merchants who engaged in speculation. Information in such matters is to be supplied by the Commissariat of Prices. This organization was set up on the outbreak of hostilities in Europe and is charged with the maintenance of price levels, the prevention and punishment for hoarding, speculation in all products, etc., which breaches of the law might in turn affect the foreign exchange situation deleteriously.

With several of the belligerent and neutral powers Chile maintains compensation agreements. Under war conditions some of the most important of her markets are closed entirely or materially reduced. As a result, importers who previously obtained supplies under such agreements are forced to seek new sources in the United States, Canada, and elsewhere. With the exchange from those countries already difficult to obtain, however, it is obvious that the new conditions, for a time in any event, will not result in more dollar exchange being made available than prior to the war's commencement. Consequently, Canadian exporters to Chile, in addition to being certain that exchange permits have been granted to their buyers in that republic, should not grant credits, except in cases of old-established firms whose financial positions are undoubted, but should require cash against documents—a method permitted under the exchange control regulations in effect.

Brazil

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, October 2, 1939.—Brazil continues to operate on the basis of free exchange as determined by presidential decree of April 8, 1939. For the payment of imported goods foreign exchange is purchased on the open market, although exchange for interest, dividends, and profit payments is still strictly controlled and may be obtained only on direct application to the Bank of Brazil, which is the sole arbiter.

With the declaration of war in Europe steps were taken to prevent undue fluctuation or speculation in Brazilian exchange. A short bank holiday was declared and upon the reopening of the banks the Bank of Brazil stipulated that the commercial banks would be allowed to do business in exchange only at the rates determined by the Bank of Brazil. Thus, once again, the milreis value is being controlled by the Bank of Brazil.

Irrevocable letter of credit business and payment for goods before their actual entry into Brazil are practically prohibited. Such transactions may be carried out only under extraordinary circumstances with the previous acquiescence of the Bank of Brazil.

OUTSTANDING ACCOUNTS

When free exchange was re-established by presidential decree of April 8, the Bank of Brazil retained the responsibility to supply exchange for the payment of all goods imported prior to that date. The task of clearing up these outstanding accounts continues, although with the intervention of the European war a delay occurred and it was only on September 25 that the Bank of Brazil undertook to supply exchange for all drafts falling due up to March 20, the actual distribution of exchange to be made ninety days after that date. It is anticipated that more frequent distributions will be made in future.

Argentina

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, October 16, 1939.—The Argentine system of exchange control had been modified before the outbreak of war in Europe. Argentina was short of foreign exchange during the first part of this year on account of a poor corn crop, the failure of her wheat to move abroad, and generally low agricultural prices here. Formerly a 20 per cent odd preference had been enjoyed by countries which were the best customers of Argentina, such as the United Kingdom, Germany, Holland, and Belgium. This preference applied on all imports except certain necessities which normally had to be purchased from non-preference countries, such as newsprint from Canada. However, Canada, the United States, Japan, and other countries which did not enjoy the preference except on a comparatively few items, could still ship anything to Argentina if their firms were able to find the means of overcoming the handicap of the preference to best customers. This happened in the case of automotive products from the United States.

Under the present amended system of control, all import commodities are divided into three groups. The first group comprises items classed as necessities and includes fuel, raw and semi-fabricated materials for local manufacturing industries (such as copper, zinc, aluminium, asbestos, thread and yarns, wood-pulp, etc.), and certain essential manufactured goods of a kind not yet made in Argentina. Generally the items in this group may be imported on an equal basis from all countries at a fixed rate of 15 pesos to the pound sterling or its equivalent in other currencies. The second group comprises all other commodities not prohibited entry, but these can be imported only from the list of countries specifically mentioned for each item or in certain cases from other countries on a quota basis. It means that the United Kingdom, Germany, Holland, Belgium, etc., experience no competition in these items except from each other. The third group represents commodities prohibited entry to Argentina.

The changes made in Argentina's import control system during the past year affect Canadian exporters directly in two ways. Certain commodities (most rubber manufactures, whisky, razor blades) which formerly could be sold here despite the exchange differential against them are now entirely prohibited entry to Argentina except from the United Kingdom, Holland, etc. On the other hand, Canadian firms can now compete on an equal basis on a wider range of commodities than formerly, covering the base metals, asbestos, thread, etc., previously indicated as well as lumber and paper. The development of manufacturing industries in Argentina has reached the point where comparatively few fully manufactured articles need to be imported and if an article is made here the customs duties are almost certain to preclude competition with the local product irrespective of the quality of the imported article.

Argentina will have to look to North America and elsewhere for certain imports that used to come from Germany, since supplies from that source are being curtailed severely already. This is particularly true of drugs and chemicals for paint making and other industrial uses, certain classes of book paper and cardboard, tools, electric motors, railway materials, and many special types of machinery and equipment. Argentina will have to find the exchange to pay for these imports from North America. The exchange to cover such of these items as are absolute necessities coming from North America will be found through restrictions on purchases of other lines elsewhere. However, it is certain that, apart from these necessities, any important increase in North American sales to Argentina must be financed by the supplying country either through the medium of credits (short or long) or by the purchase of Argentine goods. Argentina may achieve eventually a measure of prosperity under war conditions which will allow her greater freedom of action in effecting purchases abroad but the control will be severe for some time, except on necessities.

WARTIME SHIPMENTS: CONTRABAND CONTROL

The following circular on contraband control, issued by the United Kingdom Ministry of Economic Warfare on October 14, contains information in fuller detail and given on page 852 on the procedure to be followed to avoid delays in export shipments:—

CONTRABAND CONTROL

Contraband control has now been in force for about a month. His Majesty's Government are carrying out their published intention of exercising to the full their belligerent rights of visit and search. The rights they are exercising are in strict accordance with the law of nations. It is inevitable that the exercise of these rights should give rise to a certain amount of misunderstanding and friction, and His Majesty's Government regret the delay which must inevitably be caused to neutral ships. These delays are certain to be more severe at the beginning. Later it is hoped that many of the difficulties will be eliminated as the result of trade agreements which are being negotiated with the various Governments concerned. In particular, the Navicert System when it is introduced will, His Majesty's Government believe, prevent many delays.

2. It is desired, however, to indicate one or two ways in which, apart from such wide and general agreements, delays may be much mitigated. Shipments "to order" inevitably cause delay. It is appreciated that this form of shipment is very widely used, and in normal times is found very convenient. It is, however, very important that at the present time shipments "to order" should be kept within the narrowest possible limits.

3. Difficulty arises with regard to shipments to a bank, the bank obviously not being the real consignee of the goods. His Majesty's Government appreciate that from a business point of view it may be important for the protection of banks that such shipments should continue. They are, in conjunction with the interests concerned, arranging a system whereby shipments to a bank should continue, but the bill of lading will bear the words "Notify A.B.," A.B., of course, being the real consignee. No special facilities could, of course, be given to such shipments, but no disadvantage will attach to them by reason of the fact that the consignment is to a bank where the real consignee's name is disclosed in the manner indicated.

4. In many cases where vessels sail from distant ports to European destinations it is possible to send in advance by air mail or otherwise a copy of the ship's manifest, or at least of that part of it which relates to consignments to places outside the United Kingdom. The receipt of such a copy at the Ministry of Economic Warfare would enable inquiries to be set on foot, and sometimes to be completed before the arrival of the vessel itself. In such cases instructions could be sent enabling the vessel to proceed as soon as her manifest had been checked, and she would thus be able to leave the Contraband Control Base with the very minimum of delay.

5. In some cases it has been found possible for shipping companies to give undertakings that they will keep under their control at the port of destination any consignments regarding which the Contraband authorities wish to make inquiries, and that they will return to the United Kingdom any consignments which, as the result of inquiries, the Contraband authorities wish to seize. In actual experience a good deal of time and trouble has been saved by an arrangement of this sort, but it is appreciated that the legal position at the foreign port may make it difficult for the shipping companies to enter into such an undertaking, or to fulfil it if they did enter into it.

6. It would often help to save delay if consignees could arrange to supply the Ministry of Economic Warfare in advance with a guarantee against the export of consignments which they are expecting, such guarantees being furnished either by themselves or, on their behalf, by their Government.

7. Upon the whole, it is considered that the method by which shipping companies can most effectively assist in minimizing delay is by arranging to send manifests in advance as indicated in paragraph 4 and by furnishing guarantees as indicated in paragraph 6.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 6, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 6, 1939, and for the week ending Monday, October 30, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 30	Nominal Quotations in Montreal Week ending Nov. 6	Official Bank Rate
Belgium	Belga	.1001	\$.1845	\$.1851	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2142	5½
Finland	Markka	.0252	.0211	.0208	4
France	Franc	.0392	.0251	.0247	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0081	.0081	6
Holland	Guilder	.4020	.5892	.5892	3
Hungary	Pengo	.1749	.3275	.3275	4
Italy	Lira	.0526	.0559	.0560	4½
Yugoslavia	Dinar	.0176	.0259	.0259	5
Norway	Krone	.2680	.2520	.2520	4½
Portugal	Escudo	.0442	.0403	.0401	4-4½
Roumania	Leu	.0060	.0084	.0079	3½
Spain	Peseta	.1930	.1129	.1130	5
Sweden	Krona	.2680	.2642	.2642	2½
Switzerland	Franc	.1930	.2488	.2489	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2278	.2277	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0251	.0247	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0251	.0247	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso	.4245	.3304	.3304	3½
	Unofficial		.2597	.2577	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Unofficial		.0563	.0561	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Unofficial		.0444	.0444	—
Colombia	Peso	.9733	.6343	.6346	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
South Africa	Pound	4.8666	4.4700	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5400	4.4840	—
China (Shanghai)	Dollar	.....	.0957	.0991	—
Hongkong	Dollar	.....	.2772	.2729	—
India	Rupee	.3650	.3359	.3353	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4062	.4007	—
Straits Settlements	Dollar	.5678	.5208	.5170	—
Australia	Pound	4.8666	3.57½	3.57½	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Substantial declines occurred in sterling free rates at New York during the latter half of the week ended November 6. The closing rate at \$3.94 was the lowest recorded since September 20 and indicated a net decline of 5½ cents on the week. During the same period, Canadian funds rose to 90 cents on November 2, but later reacted to finish unchanged at 89½ cents. At Montreal foreign currencies were mixed. Recording a sharp decline on the final day, French francs closed 4 points lower at 2.48 cents. Belgian belgas gained 3 points to 18.51 cents, while Dutch florins were steady at 58.92 cents. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds were unaltered at \$4.43-\$4.47 and \$1.10-\$1.11, respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Aluminium Hollow-ware.....	474	Belfast, Northern Ireland..	Purchase.
Hand Tools.....	475	Sydney, Australia.....	Agency.
Tools used in connection with Flexible Shaftings.....	476	Sydney, Australia.....	Purchase or Agency.
Chemical Fertilizers.....	477	Sao Paulo, Brazil.....	Purchase.
Heavy Chemicals.....	478	Ciudad Trujillo, Dominica Republic.....	Purchase and Agency.
Portland Cement.....	479	Ciudad Trujillo, Dominica Republic.....	Purchase and Agency.
Engineering Supplies.....	480	Cardiff, Wales.....	Agency.

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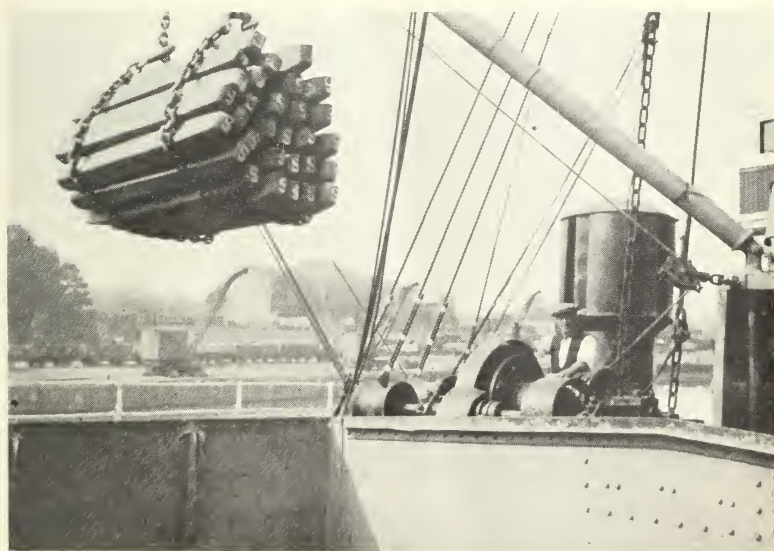
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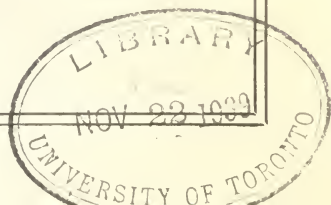
Ottawa, November 18, 1939

No. 1868



Copper Bars, Part of a General Pre-war Cargo from Canada for Bristol

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Ottawa, November 18, 1939

No. 1868

UNITED KINGDOM EXPORT TRADE POLICY

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

London, October 21, 1939.—Due to the operation of the control of the export of certain commodities from the United Kingdom on account of war-time conditions, a number of Canadian manufacturers and merchants have experienced difficulty in obtaining materials which they contracted to purchase.

The whole question of the desirability of maintaining Britain's export trade as far as possible has been receiving the close attention of the Government, and a memorandum has been issued by the President of the Board of Trade which explains official policy in this connection. The statement, which is of interest to Canadian buyers of United Kingdom goods, points out the importance in the national interest of maintaining and increasing export trade to the greatest extent that vital war needs permit, and indicates steps to be taken by the Government to assist exporters.

The memorandum states that some government direction of the flow of materials for manufacture has inevitably become necessary, but this does not mean that supplies will not be available for the export trade.

No general system of permits or priorities in the allocation of materials is in force, and for the great bulk of manufactured goods which form the normal export trade of the United Kingdom supplies of the required materials can, so far as can be foreseen, safely be relied upon for a period of the next three months at least.

Many materials are not subject to government control at all, and manufacturers should experience no special difficulties in obtaining supplies of these materials.

CONTROLLED MATERIALS

As regards controlled materials, there should in most cases be no difficulty in obtaining the supplies necessary for manufacture for export, and it should only be in exceptional cases that there is an insufficient quantity for export needs.

The Board of Trade are opening discussions with representatives of major exporting industries with a view to facilitating their operations and, in particular, their purchases of raw materials.

Meanwhile the Minister of Supply has issued instructions to controllers and their staffs to make every effort to allocate supplies where it appears to them that the controlled materials are for the manufacture of goods for export, especially where those exports are to be in the form of highly finished goods in which the cost of the raw materials forms a comparatively small part of the value of the goods. Exporters who have any difficulty in obtaining their requirements should communicate with the Board of Trade, giving full particulars, including the nature of the goods to be exported, the market for which they are destined, and the terms of payment.

Existing and future contracts for capital goods which take a considerable period to fulfil will receive special consideration, with a view to arrangements being made for the supply of materials and the issue of export licences if and when required.

EXPORT LICENCES

Some manufactured goods cannot be exported without a licence, although there are many classes of goods not subject to this control. As regards goods subject to export licence, the issue of licences has been greatly accelerated. To meet the requirements of exporters, the issue of general licences has been increased, and these will be granted wherever practicable. In certain cases applications have been received for licences to export to neutral countries adjacent to Germany quantities of raw materials and semi-manufactured goods greatly in excess of the normal flow of trade, and it may, of course, be necessary to limit such exports pending the signature of satisfactory War Trade Agreements by accredited representatives of the countries in question.

CONTROL OF UNITED KINGDOM HIDE IMPORTS

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, October 25, 1939.—The Board of Trade have issued an order—The Import of Goods (Prohibition) (No. 3) Order, 1939—adding as from October 23, 1939, hides and skins of the bovine species, raw, dried, salted, pickled or unhaired but not further treated, to the list of commodities the importation of which is prohibited except under licence.

Under the authority of the Minister of Supply a buying pool with offices at K26-27 Exchange Buildings, Liverpool 2, has been formed and licences to import cattle hides and skins other than through the pool will be granted only in exceptional cases. In other words, the intention is to discourage direct importations of hides and skins by private traders so that all purchases will be routed through the pool.

Eight of the principal British tanning companies co-operated in the establishment of the Imported Hide Pool. Mr. H. Thompson (formerly of British Tanners Limited) is director and has with him as co-director Mr. E. Gordon (formerly of Edgar Gordon & Co.). The underlying purpose in establishing the pool is to ensure adequate supplies of hides and skins to the tanners and at the same time confine purchases as far as possible to regular channels, so that when hostilities cease the trade can be carried on by the agents, brokers, etc., with little or no interruption. The only change from the normal procedure now is that, instead of selling hides and skins direct to the tanners, the agents must submit all offers to the Imported Hide Pool.

The pool is self-sustaining, as it receives a commission from the tanners of one-half of one per cent on the value of all orders it places for hides on their behalf. However, it was decided at the time the pool was established that it was to be a non-profit organization and later on when its operation becomes better organized it is hoped to reduce the fixed fee to a figure which will just meet operating expenses.

METHOD OF PROCEDURE

Any agent in this country for a foreign exporter of hides can submit his offers direct to the pool. These offers are tabulated daily in a circular letter which is sent out to all the tanners and is received the following morning. All hides quoted on these lists remain open for negotiation, purchase, and allocation until noon of the second day. For example, lists that are received on the 24th of the month remain open until noon on the 26th. This gives tanners in the most distant places the same advantage as those located near the central pool office in Liverpool.

If a tanner is interested in a parcel or parcels of hides on the list, he must submit his bids to the pool; if there are other tanners interested in the same lot of hides the pool is authorized to divide the quantity proportionately between those concerned. As the pool is receiving regular offers of hides from all producing countries it is in close touch with market conditions, and therefore may act in an advisory capacity to the tanners. If an offer is received through an agent at a price that seems inconsistent with present market trends, the pool will probably advise the tanners that it thinks lower counter-bids would be justified. In this way competition is avoided between one tanner and another.

Should a firm offer, subject to reply within a very few hours, be received on a parcel of hides, the pool may, if they think the conditions warrant it, endeavour to find one or more tanners who are prepared to stand behind the offer and who will take up the hides temporarily so that they may be offered to all tanners in the usual manner.

Any importer wishing to import hides independently of the pool must obtain a certificate from the Leather Control Board before he can apply for an import licence. This procedure involves much delay and trouble. It is much simpler for tanners to purchase imported hides through the pool, which is authorized to issue its own certificate to the agent with any orders placed with him for hides, so that the regular import licence is not required.

LIGHT HIDES AND CALF SKINS

It has now been decided to establish a similar pool for the import of light hides and calf skins. This pool will really be a branch department of the Imported Hide Pool and will be housed in the same office.

CANADIAN HIDES

Incidentally it may be pointed out that Canadian raw hides have already been offered to the Imported Hide Pool by an agent in London. Unfortunately, in company with American hides, Canadian hides have already increased in price over 50 per cent f.o.b. shipping point. This price rise, together with the high ocean freights, the adverse sterling exchange, and the high war-risk insurance, etc., has put Canadian and American hides far out of reach. In contrast, South American wet salted hides can still be purchased at base prices which are very little more than those ruling previously, and substantial quantities of hides have recently been purchased from South America.

NEW ZEALAND EXCHANGE CONTROL REGULATIONS

W. F. BULL, CANADIAN TRADE COMMISSIONER

Auckland, October 3, 1939.—On December 5, 1938, the New Zealand Government by Order in Council passed the import, export, and exchange control regulations. The prime purpose of these regulations, as already reported in the *Commercial Intelligence Journal*, was to build up the foreign exchange balances of the New Zealand banks.

Licences were issued to importers covering the first six months of 1939, and an effort was made to reduce the volume and value of imports. These efforts did not prove successful and for the second half of 1939 licences were issued on a drastically restricted basis. The importation of goods covered by some 200 items in the New Zealand tariff was prohibited from all countries. In spite of this strict control of imports and serious reductions under special headings of the tariff, the total volume of imports held up, due largely to imports of plant and raw material to replace finished goods.

By mid-July it was apparent that licences had been issued to cover the importation of goods to a value considerably in excess of the amount of overseas funds available to pay for these goods. Merchants were faced with commercial default and some payments, particularly to Australia, were held up. In order to meet this new emergency, regulations were passed making it necessary to obtain a permit from the Reserve Bank of New Zealand, in addition to a licence from the Customs Department, before remitting any funds overseas in payment for licensed imports. All importers were obliged to apply for permits covering their requirements of foreign exchange up to July, 1940. Most of these permits have now been issued, and although the Reserve Bank has not published its basis of operation, from very careful inquiries in the trade and in banking circles there is good reason to believe that permits have been issued on the lines described below.

ALLOTMENT OF FOREIGN EXCHANGE INCOME

The foreign exchange income of New Zealand over the next ten months was estimated by the Reserve Bank, due consideration being given to any possible decrease in production or fall in prices. From this total, funds were earmarked to cover the debt services of the Government and local municipalities, and the balance was allotted to imported goods. In arranging this allotment every item in the customs tariff was studied and these lines were arranged in four groups or categories depending on the importance of the individual item to the whole economy of New Zealand.

Category 1 is made up of such essential materials as medical supplies, drugs and chemicals, infants' and invalids' foods, sugar, explosives, fire-fighting equipment, electric telephone and telegraph equipment.

Category 2 is largely made up of essential requirements for the primary agricultural industries of New Zealand, such as grass and clover seeds, jute for wool packs, agricultural chemicals, molasses, agricultural and dairying machinery, meat wraps, live animals, disinfectants and insecticides, calcium carbide, fruit wraps.

Category 3 is made up of raw materials for domestic industry and other essential products, such as cocoa products, coffee, fruit juices, nuts, spices, tobacco, industrial chemicals, dyes, felt piece-goods, hat hoods, textile piece-goods, leather, battery parts, paperboard, newsprint, radio parts, timber, etc.

Category 4 is composed of finished goods all kinds, including foodstuffs.

Detailed information covering every item in each of these categories is available on application to the Department of Trade and Commerce, Ottawa.

PERCENTAGES BY COUNTRIES AND CATEGORIES

Throughout the import, export, and exchange control regulations it has been the policy of the New Zealand Government to give goods of United Kingdom manufacture special treatment, and this policy is carried into the permit system. All other parts of the Empire are treated the same; although they do not fare as well as the United Kingdom, they receive preferred treatment over foreign countries in the allotment of overseas funds. As reported above, official details have not been published. It is understood, however, that in the case of goods in category 1 from the United Kingdom, sterling funds would be allotted in full on the dates requested by the importers. For similar goods under category 1 from Canada or Australia there would only be allotted approximately 80 per cent of the total overseas exchange required during September, October, November, and December. The balance would be available possibly in January and February, 1940. Foreign goods would be allotted less than 80 per cent, and the balance would be spread over the first six months of 1940.

In the same way, goods in category 2 from the United Kingdom would be allotted 80 per cent of the sterling funds to cover licensed imports, goods from Canada 50 per cent, and those from foreign countries 25 per cent. In the case of category 3 the Canadian allotment for the remainder of this year only amounts to 25 per cent of the total required, and under category 4 all payments are deferred and spread over the first six months of 1940.

By a recent ruling importers are permitted to transfer an allotment from one licensed item to another licensed item within a category, in this way obtaining a larger amount of foreign exchange for one item at the expense of another. An adjustment would be made in 1940 to cover this transfer, as the value of imports is still controlled by the import licences issued under the authority of the Minister of Customs.

METHOD OF MAKING PAYMENTS

Importers can also purchase forward foreign exchange to cover their requirements and to cover any change in the exchange rates. In general importers meet their drafts in New Zealand currency when presented, and the trading banks arrange the transfer of overseas funds as these funds become available under the permits.

EFFECT OF EXCHANGE CONTROL

Some shippers have refused to accept this deferred payment arrangement, but on the whole most exporters are filling their New Zealand orders. The Reserve Bank is exercising rigid control over the exchange permits. The amount allotted to imports has been based on a conservative estimate of the foreign exchange income of New Zealand. Imports are beginning to fall as the import restrictions really become effective, and for the first time in many years this country had a favourable balance of trade in August. Prices of New Zealand's primary products should tend to increase as a result of war conditions. The special overseas war requirements of the New Zealand Government are being financed out of a special sterling loan guaranteed by the United Kingdom Government. Importers are prepared to pay interest on the money held in New Zealand on their principals' behalf. As a result of all these factors, Canadian exporters can be reasonably sure that the foreign exchange will be available on the dates indicated by the permits issued by the New Zealand Reserve Bank.

SOUTH AFRICAN WHEAT AND FLOUR TRADE

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, September 4, 1939.—Government assistance has played a large part in the general improvement of agriculture in South Africa. For example, from 1931 to 1939 cash assistance to farmers amounted to £20,559,000, of which £17,885,000 is not refundable by the farmers and of which £10,223,000 was accounted for by export subsidies and £4,000,000 in interest subsidies. A still greater amount of £33,612,000 has been applied since 1929-30 in repayable loans and advances to farmers. For the fiscal year 1939-40 the Government provided £1,200,000 to be applied as rebates to farmers on railway rates. This assistance is due to the desire of the Government to foster agriculture so that it will in turn support the expansion of local industries utilizing raw natural products.

South Africa is primarily a pastoral country and a great deal of the land on which wheat is grown is really not suitable for the continuous growing of this crop. However, the Union Government has fixed a price for wheat at

such a level that it is a lure to many farmers to produce wheat as a sole crop instead of turning to mixed farming on a larger scale than now pursued. Yet, in spite of the high prices fixed by the Government for wheat, it is claimed by many producers that wheat farming in the Cape Province, which is the principal wheat-growing area, is not a paying proposition. There is now in progress a full investigation, in which various government officials, agricultural college staffs, and farmers are co-operating.

The importation of wheat into the Union is prohibited except under permit. This has been of great benefit to producers, especially as it is stipulated that imported wheat can only be released at a price of 22s. 6d. per bag of 200 pounds. Apart from this, wheatgrowers have been given extensive financial assistance in many ways aside from the issues of seed wheat in some districts. Without an appreciable amount of government assistance South Africa could not produce wheat to any extent. Storage facilities for wheat are limited and there was considerable difficulty over storage when the Union actually had a surplus in the crop year 1936-37.

In 1938 the Union's crop, due to severe drought conditions, was far below requirements and the price of wheat rose sharply. By the middle of January, 1938, the price for Union wheat had reached 24s. per bag as compared with 17s. in the previous year, and flour prices increased over 7s. per bag. In March, 1938, a conference of producers, millers, bakers, consumers, and the Government agreed to standardize prices. The millers agreed to take over from producers, co-operative societies, and merchants all stocks of wheat available for sale in the country on the basis of 24s. per bag of 200 pounds free on rail at shipper's station. In turn they were to supply flour at the following prices: best bakers' flour, 37s. per 200 pounds; No. 1 sifted meal, 33s. 6d. per 200 pounds; No. 1 or best unsifted meal, 30s. per 200 pounds. The bakers also undertook to sell bread at fixed prices during the period ending November 30, 1938. The prices agreed upon were: first-grade 2-pound loaf, unwrapped, delivered to consumer, 7d.; 2-pound brown loaf, unwrapped, delivered to consumer, 7d.; second-grade 2-pound loaf, over counter, 6d.

IMPORTS

Until 1935 the Union of South Africa was an importer of wheat and flour. The country did not produce enough wheat to meet the requirements of the people, and a certain quantity was always imported to make up the local deficiency for bread-making, in addition to that which has been and will continue to be imported for blending. During the 1936-37 crop year, however, the Union for the first time had a considerable surplus of wheat and imports were the lowest on record. In 1938, however, as already noted, South Africa experienced a severe drought and imports of wheat rose sharply, while flour imports increased slightly. Canada, however, did not benefit from the shortage. The Union Government was determined to prevent any undue increase in the price of bread; therefore, wheat from the cheapest source was favoured, with the result that Australia particularly and Argentina were the chief sources of supply. Local millers prefer the stronger Canadian wheat and under some circumstances would possibly pay a premium of as much as 10 per cent. In this instance Canadian prices were in excess of this amount. Consequently Canada's share was approximately the same as it had been for the previous four years.

The following tables show the imports of wheat and flour into South Africa for the five years 1934 to 1938 by principal supplying countries:—

Imports of Wheat, 1934 to 1938

	1938		1937		1936		1935		1934	
	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£
Total	157,073,558	459,714	1,064,393	5,778	1,939,759	7,172	3,016,090	10,416	53,199,196	197,610
Australia.. .. .	147,095,799	422,763	900	3	724,935	2,429	1,496,123	4,757	1,911,868	5,830
Canada.. .. .	1,074,012	4,963	1,053,305	5,693	1,206,356	4,693	1,451,784	5,351	51,280,586	191,742
India	6,722	39	7,326	46	8,468	50	6,793	37	6,742	38
Argentina.. .. .	8,896,925	31,948	.....	.....	.....	.....	.....	.....	.....	.....

Imports of Wheat Flour and Meal, 1934 to 1938

	1938		1937		1936		1935		1934	
	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£
Total	1,146,061	7,370	891,604	6,347	1,541,409	8,735	1,327,003	7,626	1,186,749	5,773
Australia	483,400	1,667	321,100	1,619	835,457	3,794	460,300	2,017	485,000	2,202
Canada	392,100	2,759	355,440	2,580	390,100	2,218	486,014	2,656	535,890	2,796
Southern Rhodesia ..	136,200	1,586	177,325	1,828	233,261	2,153	306,460	2,496	.....	.....
United Kingdom	93,189	1,139	9,872	119	55,662	377	47,574	242	148,043	649
India	33,875	192	20,343	125	23,193	136	18,427	107	13,652	92
United States.. .. .	610	10	5,428	49	1,208	21	513	10	627	11

PRODUCTION OF WHEAT AND FLOUR

The production of wheat in the crop year 1938-39 amounted to 5,217,000 bags of 200 pounds. The Cape Province, the principal producing area, had a crop of 2,947,000 bags; the Orange Free State, 1,805,000 bags; the Transvaal, 501,000 bags; and Natal, 4,000 bags. The estimate for the 1938-39 crop is slightly lower, being placed at 5,128,000 bags of 200 pounds, of which the Cape Province is expected to produce 2,853,000 bags; Orange Free State, 1,808,000; Transvaal, 464,000; and Natal, 3,000 bags of 200 pounds each.

The South African milling industry is located in the wheat-producing areas, with the exception of Natal, thus minimizing rail haulage. Flour mills, as distinct from grain mills, are not listed separately. Jointly, they number 888, of which 420 are located in the Cape Province, 262 in Transvaal, 148 in the Orange Free State, and 58 in Natal. Natal has a larger number than would be expected from the production of wheat in that province, but the Natal mills are located adjacent to production areas in the Transvaal and serve a large number of natives by their production of boer meal and wheaten meal.

The production of wheat flour in 1935-36, the last year for which a census was taken, was 133,312 tons valued at £2,292,672. There was also produced 209,119 tons of wheat meal and boer meal valued at £2,961,706.

EXPORTS

Normally, exports of wheat from South Africa are insignificant. In 1937, however, due to the surplus production of the 1936-37 crop they rose sharply to 58,836,685 pounds valued at £237,249 as compared with 36,518 pounds at £196 in 1936. Most of the quantity exported that year went to the United Kingdom and Belgium. There is a fairly steady, small export of wheat flour and meal, mainly to African countries.

The following tables show the exports of wheat and of wheat flour and meal for the five years, 1934 to 1938:—

Exports of Wheat, 1934 to 1938

	1938		1937		1936		1935		1934	
	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£
Total	9,509	68	58,836,685	237,249	36,518	196	163,607	1,364	8,204	62
United Kingdom.. .. .	.....	.....	41,526,164	163,259	4,430	19	.....	.....	366	1
Belgium .. .. .	.....	.....	16,075,700	68,618	.....	.....	.....	.....	.....	.....
Southern Rhodesia	300	2	1,222,683	5,305	30,310	165	29,300	178	.....	.....
Ascension	7,364	49	.....	.....	.....	.....	587	6	2,940	21
Portuguese East Africa ..	1,000	10	600	5	1,678	11	.....	.....	600	4
Portuguese West Africa..	.....	.....	.....	.....	.....	.....	133,220	1,176	.....	.....

Exports of Wheat Flour and Meal

	1938		1937		1936		1935		1934	
	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£
Total	279,113	2,335	783,067	4,010	197,551	1,664	261,544	2,565	109,599	1,123
United Kingdom.. . . .	56,847	163	481,904	1,690	4,203	29	65	1	70	1
Ascension	17,836	62	98	1	392	4
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Southern Rhodesia	19,352	208	8,170	89	17,017	157	1 5,756	1,223
Belgian Congo	23,400	210	36,240	189	6,000	25	6,200	65	15,000	49
Portuguese East Africa	119,203	1,325	113,905	1,180	111,550	1,186	125,350	1,214	93,250	1,064

GOVERNMENT CONTROL

Government control of the trade in wheat and wheaten products is exercised through the medium of the Wheat Industry Control Board, established in October, 1938, under the "Wheat Control Scheme." The Board consists of fourteen members appointed by the Governor General. Five members represent producers of wheat who are members of co-operative societies or companies; three represent producers of wheat who are not members of co-operative societies or companies; the millers are represented by three members; and bakers, consumers, and the Department of Agriculture are represented by one member each.

The expenses of the Board are provided for by a fund established through a levy of one shilling per bag of 200 pounds on all wheat, ground, crushed, gristed or otherwise processed. This levy must be paid to the Board within thirty days after the close of each calendar month. This fund is known as the "Wheat Levy Fund." As the Board is empowered to buy and sell wheat and wheaten products, any trading profits, commissions, brokerages, rentals and accruing interest are also paid into this fund.

The Board also has the power to prohibit any producer of wheat or wheaten products from selling wheat or wheaten products which he has produced, except such class, grade, quantity or percentage thereof as it determines or excepts for such purposes as are defined. It also has the power to fix the price at which wheat or any wheaten product may be sold.

On October 21, 1938, the Board defined the classification and grading of wheat and the methods to be employed in testing, and on November 11, 1938, established selling prices. On June 23, 1939, the whole situation was reviewed and previous regulations amended. At this time new regulations covering the grading, packing, marking and labelling of wheaten meal, flour, semolina, self-raising flour, bran, pollard and bread became effective, together with the selling prices.

ESTABLISHED SELLING PRICES

Selling prices to wholesalers per bag of 200 pounds net are: patent or special flour, 41s. 6d.; bakers' flour, 37s. 3d.; No. 1 sifted or household flour, 34s. 6d.; No. 2 sifted meal, 32s. 6d.; No. 1 unsifted meal, 29s.; No. 2 unsifted meal, 25s.; medicinal or proprietary meals, 33s. 6d.; semolina, 41s. 6d.

For packings of less than 200 pounds net the following increases in price per 200 pounds were authorized: 100-lb. jute containers, 6d.; 100-lb. cotton containers, 1s.; 50-lb., 2s.; 25-lb., 3s.; 10-lb., 4s.; 5-lb. cotton containers, 5s.; 1, 2, 3, or 4 lbs. in cotton containers, 6s.

For self-raising flour per 100 pounds net in packings of 1 or 2 pounds net weight, the established prices to wholesalers are: No. 1 self-raising flour, 29s. 9d.; No. 2 self-raising flour, 27s. 3d.

The selling prices to retailers are fixed at one shilling per bag increase over the wholesale prices. The same increases apply as those to the wholesaler with regard to packings of less than 200 pounds net weight.

The maximum selling prices of wheaten bran and pollard are: standard bran per bag of 100 lbs. net, 5s. 6d.; digestive bran per bag, 6s. 6d.; standard pollard per bag of 150 pounds net, 9s. 0d. For quantities of less than 100 pounds the maximum price is fixed at one penny per pound.

The retail selling prices for unwrapped bread per pound are: first grade white bread, $3\frac{1}{2}$ d.; first grade brown bread, $3\frac{1}{2}$ d.; second grade white bread, 3d.; second grade brown bread, 3d.; mixed bread, $3\frac{1}{2}$ d. When sold as wrapped bread the price is increased one halfpenny per loaf irrespective of the weight of such loaf. The wholesale prices established for the respective grades of bread, whether sold as wrapped or unwrapped, are the retail prices listed above less $12\frac{1}{2}$ per cent calculated to the nearest halfpenny.

PROSPECTS FOR CANADIAN SALES

It will be realized from the foregoing that the Union of South Africa does not offer an outlet for the sale of Canadian wheat or flour in any appreciable quantities. Small amounts will be imported annually for blending purposes. Occasionally, due to unfavourable weather conditions and a consequent below-average crop, Canada might increase her sales slightly; but only should the price of the Canadian product be in close proximity to those of such producing countries as Australia and the Argentine.

Southwest Africa

Conditions in Southwest Africa, formerly known as German Southwest Africa, are different from those in the Union of South Africa, in that a permit is not necessary in order to import foreign wheat or flour. On the other hand, the market is very restricted. Although Canada is obtaining some of the business and may obtain a slightly larger share than at present, under normal conditions this outlet will never be large enough to make any appreciable difference in Canada's exports of wheat or flour.

SOUTHERN RHODESIA WHEAT AND FLOUR MARKETS

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, September 11, 1939.—To maintain the present milling industry at anywhere near capacity, Southern Rhodesia imports more than 50 per cent of the total wheat consumed each year within its borders. Wheat is grown in the Colony, but for various reasons the acreage under production does not approach that devoted to the staple agricultural crops of tobacco and maize. The Government has taken active steps, particularly since 1932, to promote the growing of wheat by such means as arranging a guaranteed price to growers, and also by the dissemination of information on the best cultivation methods to be employed and types of seed most suitable. In addition, the minimum amount of Rhodesian wheat required to be contained in locally manufactured flour has been specified by government regulation. These measures have resulted in increased acreages.

The wheat produced in Southern Rhodesia consists chiefly of soft or semi-hard varieties and has been found to be unsuitable for manufacturing flour unless mixed with harder varieties imported from overseas. The Colony supports a thriving well-established flour-milling industry which now largely meets local demand. Wheaten flour and meal are also exported from Southern Rhodesia to the neighbouring colonies and protectorates, the chief markets being Northern Rhodesia and Bechuanaland. Since the manufacture of flour commenced, imports of this commodity, formerly a considerable item, have decreased.

DOMESTIC WHEAT PRODUCTION

Wheat is primarily a winter crop in Southern Rhodesia, as the existence of rust during the rainy, or summer, season makes its production unattractive to

growers. The main areas devoted to wheat cultivation are the vleis or valleys, which retain sufficient moisture throughout the growing season. Wheat is also grown on irrigated lands, but as there are only a few large irrigation schemes in the Colony, the bulk of the wheat grown is forthcoming from non-irrigated land.

There was a total estimated area of 18,744 acres under cultivation for the 1938 winter crop. This compares with 21,946 acres in 1937, 22,282 acres in 1936, and 20,588 acres in 1935. The decline in wheat acreage as between 1937 and 1938 seasons was due to the early cessation of rain prior to the 1938 growing season, resulting in a lack of moisture and consequent curtailment in the amount of wheat sown. The biggest increase in acreage devoted to wheat-growing was from 8,631 acres in 1931 to 14,053 acres in 1932.

The 1938 wheat yield is estimated at 36,700 bags of approximately 200 pounds as compared with 42,976 bags in 1937 and 58,099 bags in 1936. All of the above figures apply to winter crop wheat, the production of summer wheat forming a very small percentage of total production, i.e. 87 bags in 1937, 609 bags in 1936, and 316 bags in 1935. The yield per acre is very low, 2·2 bags in 1938, 2 bags in 1937, and 2·5 bags in 1936.

The principle varieties of wheat grown include Kenya Governor, Karachi, Klein Koren, Reward, Burbank or Quality, Montana, and Punjab, the three first-named varieties being the most popular. The estimated average consumption of wheat for the five-year period from 1933 to 1937 is placed at 21,970,896 pounds, only 38 per cent of which was produced in the Colony.

FLOUR TRADE

Separate figures showing the production of flour in the Colony are not available. The gross value of the output of the grain-milling industry in 1938 is placed at £663,931 (the only year for which this figure has been completed). Maize meal comprised more than 50 per cent of this total. Wheaten flour and meal followed maize meal in importance. Southern Rhodesia supplies a large percentage of the flour consumed in Northern Rhodesia and Bechuanaland and also makes flour shipments to other neighbouring territories.

EXPORTS OF WHEAT FLOUR AND MEAL

The value of wheat flour and wheat meal exported from Southern Rhodesia during the five years 1934 to 1938 is shown in the following table:—

	1938	1937	1936	1935	1934
Total	£54,594	£49,091	£26,474	£23,601	£28,929
Northern Rhodesia	52,538	47,163	23,968	20,687	20,440
Bechuanaland	1,590	1,832	2,188	2,232	1,494
Belgian Congo	327	57	210	307	655
Portuguese East Africa	78	34	107	29	68
Northeastern Rhodesia	56	2	.....	8	6
Nyasaland	5	3	.....	.....	.....
Southwest Africa . . . . .	.....	.....	1	.....	.....
Union of South Africa . . . .	.....	.....	.....	338	6,266

IMPORTS OF WHEAT FLOUR AND MEAL

The volume of flour imported into Southern Rhodesia has decreased in recent years. In view of the competition from the local industry, it may be expected to decline further. The following table shows the value of wheat flour and wheat meal imports into Southern Rhodesia for the calendar years 1938, 1937, 1936, 1935, and 1934:—

	1938	1937	1936	1935	1934
Total	£3,666	£3,500	£4,175	£6,864	£9,072
Australia	2,051	1,685	2,517	3,908	3,560
Canada	1,189	1,594	1,490	1,662	2,538
Union of South Africa	196	60	51	1,215	2,864
United Kingdom	154	57	1	4	....
Southern Rhodesia	43	....	....	....	....
India	33	57	16	45	106
Northern Rhodesia . . . . .	....	16	5	5	4
Bechuanaland . . . . .	....	31	48	....	....
United States . . . . .	....	....	47	25	....

WHEAT IMPORTS

Southern Rhodesia has enjoyed a high level of economic prosperity, particularly during the last six years. The mining industry has expanded rapidly, establishing production records each year. Secondary industries and commercial undertakings have closely followed the lead set by the mining industry and have increased in both variety and number, while the building and allied trades have been busily occupied. This widespread development has naturally been reflected in increased consumption of all staple foodstuffs, including wheat, for which the demand has increased sharply in recent years.

The value of wheat imports into Southern Rhodesia for the five calendar years 1934 to 1938 are shown in the following table:—

	1938	1937	1936	1935	1934
Total	£88,724	£61,741	£52,499	£50,639	£33,734
Australia	38,787	14,486	20,925	19,447	14,985
Canada	29,780	26,653	20,317	23,802	17,343
Argentina	13,773	7,427	....	2,362	390
Northern Rhodesia	5,295	8,047	11,184	4,839	980
Uruguay	1,069	....	....	....	....
Union of South Africa	18	5,067	73	189	36
United States	2	....	....	....	....
Kenya . . . . .	....	50	....	....	....
Holland . . . . .	....	11	....	....	....

The demand for imported wheat depends primarily on the Colony's domestic production. This varies somewhat from year to year, being largely governed by the amount of rainfall preceding the winter crop. Australian exports are fairly well placed, both as regards the lower prices quoted and closer proximity to the Rhodesian market than other leading world producing wheat countries.

TARIFF AND MILLING REGULATIONS

The rates of duty applying on wheat and flour imported into Southern Rhodesia are as follows:—

Tariff Item No. 15:		Duty "A"	Duty "B"	Duty "C"
		£ s. d.	£ s. d.	£ s. d.
(i)	Wheat in the grainper 100 lbs.	0 1 2	0 1 2	0 1 0
(ii)	Wheat ground or otherwise prepared			
	(including flour)per 100 lbs.	0 5 0	0 5 0	0 4 6

The rates of duty listed under columns headed "Duty A" and "Duty B" apply to foreign countries and British Dominions, while those under column headed "Duty C" are applicable to the United Kingdom and British colonies. A rebate of customs duty on wheat is allowed when imported for milling, provided it is blended with domestic wheat in such proportion that the finished flour contains not less than 33 $\frac{1}{3}$ per cent of the produce of the Colony. The Government has arranged a guaranteed price to local wheaterowers, which is payable by the millers in return for the rebate of duty which the millers are granted on imported wheat.

CANADA'S SHARE OF THE TRADE

Canada enjoys a considerable share of the total wheat imported into Southern Rhodesia. On three occasions during the past five years Canada held first posi-

tion as a supplier, being preceded in the other two years by Australia. The following figures show the value and percentage of wheat imported from Canada into Southern Rhodesia in the calendar years 1934 to 1938:—

Year	Value	Percentage of Total Imports
1938..	£29,780	33.5
1937..	26,653	43.1
1936..	20,317	38.6
1935..	23,802	47.0
1934..	17,343	51.4

The percentage and value of flour imports from Canada for the calendar years 1934 to 1938 were as follows:—

Year	Value	Percentage of Total Imports
1938	£1,189	32.4
1937	1,594	45.5
1936	1,490	35.6
1935	1,662	24.2
1934	2,538	27.9

The volume of wheat imported into Southern Rhodesia has advanced steadily during the last five years, and imports from overseas will in all probability register further increases. The quantity of imported wheat required is determined largely by the size of the domestic and Northern Rhodesian crops. In view of the relatively small returns secured by growers as compared with those resulting from cultivation of other crops more suited to soil and climatic conditions, there is every likelihood that Southern Rhodesia will be dependent upon overseas countries for a large percentage of her wheat supplies for some time to come. Although Canada's share of the wheat imports have shown percentage declines in recent years, the value has increased. It should continue to do so, since Canadian wheat is held in high regard by the Southern Rhodesia milling industry. There is every prospect, therefore, that Canada will ship increased quantities of wheat to Southern Rhodesia each year in order to help cater to that expanding industry! Conversely, imports of flour from Canada and other countries may be expected to decline.

WHEAT AND FLOUR TRADE IN NORTHERN RHODESIA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, September 12, 1939.—Northern Rhodesia's wheat and flour trade is carried on to a large extent with the neighbouring colony, Southern Rhodesia, to the practical exclusion of other suppliers of these two products. The entire wheat crop, which is very small in volume, is shipped to Southern Rhodesia for milling and blending and is returned in the form of flour. Northern Rhodesia's wheat imports are negligible as there is no milling industry in the colony. Prior to 1936, a small mill manufacturing "boer meal," a whole-meal flour sold chiefly to the native trade, was in operation at Lusaka. Production ceased, however, when the Farmers' Co-operative Society, who owned the enterprise, entered into an arrangement with millers in Southern Rhodesia for disposal of their yearly wheat crop. An over-abundant supply of rainfall in the summer season and a lack of moisture in the winter or wheat-growing season are the chief factors limiting wheat production.

Flour is one of the principal items on the import list from a value standpoint, and consumption has increased sharply in the last two years. This increase may be attributed to the high level of prosperity reached in the colony as a consequence of activity in the copper-mining areas.

In the same way, goods in category 2 from the United Kingdom would be allotted 80 per cent of the sterling funds to cover licensed imports, goods from Canada 50 per cent, and those from foreign countries 25 per cent. In the case of category 3 the Canadian allotment for the remainder of this year only amounts to 25 per cent of the total required, and under category 4 all payments are deferred and spread over the first six months of 1940.

By a recent ruling importers are permitted to transfer an allotment from one licensed item to another licensed item within a category, in this way obtaining a larger amount of foreign exchange for one item at the expense of another. An adjustment would be made in 1940 to cover this transfer, as the value of imports is still controlled by the import licences issued under the authority of the Minister of Customs.

METHOD OF MAKING PAYMENTS

Importers can also purchase forward foreign exchange to cover their requirements and to cover any change in the exchange rates. In general importers meet their drafts in New Zealand currency when presented, and the trading banks arrange the transfer of overseas funds as these funds become available under the permits.

EFFECT OF EXCHANGE CONTROL

Some shippers have refused to accept this deferred payment arrangement, but on the whole most exporters are filling their New Zealand orders. The Reserve Bank is exercising rigid control over the exchange permits. The amount allotted to imports has been based on a conservative estimate of the foreign exchange income of New Zealand. Imports are beginning to fall as the import restrictions really become effective, and for the first time in many years this country had a favourable balance of trade in August. Prices of New Zealand's primary products should tend to increase as a result of war conditions. The special overseas war requirements of the New Zealand Government are being financed out of a special sterling loan guaranteed by the United Kingdom Government. Importers are prepared to pay interest on the money held in New Zealand on their principals' behalf. As a result of all these factors, Canadian exporters can be reasonably sure that the foreign exchange will be available on the dates indicated by the permits issued by the New Zealand Reserve Bank.

SOUTH AFRICAN WHEAT AND FLOUR TRADE

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, September 4, 1939.—Government assistance has played a large part in the general improvement of agriculture in South Africa. For example, from 1931 to 1939 cash assistance to farmers amounted to £20,559,000, of which £17,885,000 is not refundable by the farmers and of which £10,223,000 was accounted for by export subsidies and £4,000,000 in interest subsidies. A still greater amount of £33,612,000 has been applied since 1929-30 in repayable loans and advances to farmers. For the fiscal year 1939-40 the Government provided £1,200,000 to be applied as rebates to farmers on railway rates. This assistance is due to the desire of the Government to foster agriculture so that it will in turn support the expansion of local industries utilizing raw natural products.

South Africa is primarily a pastoral country and a great deal of the land on which wheat is grown is really not suitable for the continuous growing of this crop. However, the Union Government has fixed a price for wheat at

such a level that it is a lure to many farmers to produce wheat as a sole crop instead of turning to mixed farming on a larger scale than now pursued. Yet, in spite of the high prices fixed by the Government for wheat, it is claimed by many producers that wheat farming in the Cape Province, which is the principal wheat-growing area, is not a paying proposition. There is now in progress a full investigation, in which various government officials, agricultural college staffs, and farmers are co-operating.

The importation of wheat into the Union is prohibited except under permit. This has been of great benefit to producers, especially as it is stipulated that imported wheat can only be released at a price of 22s. 6d. per bag of 200 pounds. Apart from this, wheatgrowers have been given extensive financial assistance in many ways aside from the issues of seed wheat in some districts. Without an appreciable amount of government assistance South Africa could not produce wheat to any extent. Storage facilities for wheat are limited and there was considerable difficulty over storage when the Union actually had a surplus in the crop year 1936-37.

In 1938 the Union's crop, due to severe drought conditions, was far below requirements and the price of wheat rose sharply. By the middle of January, 1938, the price for Union wheat had reached 24s. per bag as compared with 17s. in the previous year, and flour prices increased over 7s. per bag. In March, 1938, a conference of producers, millers, bakers, consumers, and the Government agreed to standardize prices. The millers agreed to take over from producers, co-operative societies, and merchants all stocks of wheat available for sale in the country on the basis of 24s. per bag of 200 pounds free on rail at shipper's station. In turn they were to supply flour at the following prices: best bakers' flour, 37s. per 200 pounds; No. 1 sifted meal, 33s. 6d. per 200 pounds; No. 1 or best unsifted meal, 30s. per 200 pounds. The bakers also undertook to sell bread at fixed prices during the period ending November 30, 1938. The prices agreed upon were: first-grade 2-pound loaf, unwrapped, delivered to consumer, 7d.; 2-pound brown loaf, unwrapped, delivered to consumer, 7d.; second-grade 2-pound loaf, over counter, 6d.

IMPORTS

Until 1935 the Union of South Africa was an importer of wheat and flour. The country did not produce enough wheat to meet the requirements of the people, and a certain quantity was always imported to make up the local deficiency for bread-making, in addition to that which has been and will continue to be imported for blending. During the 1936-37 crop year, however, the Union for the first time had a considerable surplus of wheat and imports were the lowest on record. In 1938, however, as already noted, South Africa experienced a severe drought and imports of wheat rose sharply, while flour imports increased slightly. Canada, however, did not benefit from the shortage. The Union Government was determined to prevent any undue increase in the price of bread; therefore, wheat from the cheapest source was favoured, with the result that Australia particularly and Argentina were the chief sources of supply. Local millers prefer the stronger Canadian wheat and under some circumstances would possibly pay a premium of as much as 10 per cent. In this instance Canadian prices were in excess of this amount. Consequently Canada's share was approximately the same as it had been for the previous four years.

The following tables show the imports of wheat and flour into South Africa for the five years 1934 to 1938 by principal supplying countries:—

Imports of Wheat, 1934 to 1938

	1938		1937		1936		1935		1934	
	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£
Total	157,073,558	459,714	1,064,393	5,778	1,939,759	7,172	3,016,090	10,416	53,199,196	197,610
Australia.. . . .	147,095,799	422,763	900	3	724,935	2,429	1,496,123	4,757	1,911,868	5,830
Canada.. . . .	1,074,012	4,963	1,053,305	5,693	1,206,356	4,693	1,451,784	5,351	51,280,586	191,742
India	6,722	39	7,326	46	8,468	50	6,793	37	6,742	38
Argentina.. . . .	8,896,925	31,948	.....	.....	.....	.....	.....	.....	.....	.....

Imports of Wheat Flour and Meal, 1934 to 1938

	1938		1937		1936		1935		1934	
	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£
Total	1,146,061	7,370	891,604	6,347	1,541,409	8,735	1,327,003	7,626	1,186,749	5,773
Australia	483,400	1,667	321,100	1,619	835,457	3,794	460,300	2,017	485,000	2,202
Canada	392,100	2,759	355,440	2,580	390,100	2,218	486,014	2,656	535,890	2,796
Southern Rhodesia	136,200	1,586	177,325	1,828	233,261	2,153	306,460	2,406	.....	.....
United Kingdom	98,189	1,139	9,872	119	55,662	377	47,574	242	148,043	649
India	33,875	192	20,343	125	23,193	136	18,427	107	13,652	92
United States.. . . .	610	10	5,428	49	1,208	21	513	10	627	11

PRODUCTION OF WHEAT AND FLOUR

The production of wheat in the crop year 1938-39 amounted to 5,217,000 bags of 200 pounds. The Cape Province, the principal producing area, had a crop of 2,947,000 bags; the Orange Free State, 1,805,000 bags; the Transvaal, 501,000 bags; and Natal, 4,000 bags. The estimate for the 1938-39 crop is slightly lower, being placed at 5,128,000 bags of 200 pounds, of which the Cape Province is expected to produce 2,853,000 bags; Orange Free State, 1,808,000; Transvaal, 464,000; and Natal, 3,000 bags of 200 pounds each.

The South African milling industry is located in the wheat-producing areas, with the exception of Natal, thus minimizing rail haulage. Flour mills, as distinct from grain mills, are not listed separately. Jointly, they number 888, of which 420 are located in the Cape Province, 262 in Transvaal, 148 in the Orange Free State, and 58 in Natal. Natal has a larger number than would be expected from the production of wheat in that province, but the Natal mills are located adjacent to production areas in the Transvaal and serve a large number of natives by their production of boer meal and wheaten meal.

The production of wheat flour in 1935-36, the last year for which a census was taken, was 133,312 tons valued at £2,292,672. There was also produced 209,119 tons of wheat meal and boer meal valued at £2,961,706.

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On October 21, 1938, the Board defined the classification and grading of wheat and the methods to be employed in testing, and on November 11, 1938, established selling prices. On June 23, 1939, the whole situation was reviewed and previous regulations amended. At this time new regulations covering the grading, packing, marking and labelling of wheaten meal, flour, semolina, self-raising flour, bran, pollard and bread became effective, together with the selling prices.

ESTABLISHED SELLING PRICES

Selling prices to wholesalers per bag of 200 pounds net are: patent or special flour, 41s. 6d.; bakers' flour, 37s. 3d.; No. 1 sifted or household flour, 34s. 6d.; No. 2 sifted meal, 32s. 6d.; No. 1 unsifted meal, 29s.; No. 2 unsifted meal, 25s.; medicinal or proprietary meals, 33s. 6d.; semolina, 41s. 6d.

For packings of less than 200 pounds net the following increases in price per 200 pounds were authorized: 100-lb. jute containers, 6d.; 100-lb. cotton containers, 1s.; 50-lb., 2s.; 25-lb., 3s.; 10-lb., 4s.; 5-lb. cotton containers, 5s.; 1, 2, 3, or 4 lbs. in cotton containers, 6s.

For self-raising flour per 100 pounds net in packings of 1 or 2 pounds net weight, the established prices to wholesalers are: No. 1 self-raising flour, 29s. 9d.; No. 2 self-raising flour, 27s. 3d.

The selling prices to retailers are fixed at one shilling per bag increase over the wholesale prices. The same increases apply as those to the wholesaler with regard to packings of less than 200 pounds net weight.

The maximum selling prices of wheaten bran and pollard are: standard bran per bag of 100 lbs. net, 5s. 6d.; digestive bran per bag, 6s. 6d.; standard pollard per bag of 150 pounds net, 9s. 0d. For quantities of less than 100 pounds the maximum price is fixed at one penny per pound.

The retail selling prices for unwrapped bread per pound are: first grade white bread, $3\frac{1}{2}$ d.; first grade brown bread, $3\frac{1}{2}$ d.; second grade white bread, 3d.; second grade brown bread, 3d.; mixed bread, $3\frac{1}{2}$ d. When sold as wrapped bread the price is increased one halfpenny per loaf irrespective of the weight of such loaf. The wholesale prices established for the respective grades of bread, whether sold as wrapped or unwrapped, are the retail prices listed above less $12\frac{1}{2}$ per cent calculated to the nearest halfpenny.

PROSPECTS FOR CANADIAN SALES

It will be realized from the foregoing that the Union of South Africa does not offer an outlet for the sale of Canadian wheat or flour in any appreciable quantities. Small amounts will be imported annually for blending purposes. Occasionally, due to unfavourable weather conditions and a consequent below-average crop, Canada might increase her sales slightly; but only should the price of the Canadian product be in close proximity to those of such producing countries as Australia and the Argentine.

Southwest Africa

Conditions in Southwest Africa, formerly known as German Southwest Africa, are different from those in the Union of South Africa, in that a permit is not necessary in order to import foreign wheat or flour. On the other hand, the market is very restricted. Although Canada is obtaining some of the business and may obtain a slightly larger share than at present, under normal conditions this outlet will never be large enough to make any appreciable difference in Canada's exports of wheat or flour.

SOUTHERN RHODESIA WHEAT AND FLOUR MARKETS

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, September 11, 1939.—To maintain the present milling industry at anywhere near capacity, Southern Rhodesia imports more than 50 per cent of the total wheat consumed each year within its borders. Wheat is grown in the Colony, but for various reasons the acreage under production does not approach that devoted to the staple agricultural crops of tobacco and maize. The Government has taken active steps, particularly since 1932, to promote the growing of wheat by such means as arranging a guaranteed price to growers, and also by the dissemination of information on the best cultivation methods to be employed and types of seed most suitable. In addition, the minimum amount of Rhodesian wheat required to be contained in locally manufactured flour has been specified by government regulation. These measures have resulted in increased acreages.

The wheat produced in Southern Rhodesia consists chiefly of soft or semi-hard varieties and has been found to be unsuitable for manufacturing flour unless mixed with harder varieties imported from overseas. The Colony supports a thriving well-established flour-milling industry which now largely meets local demand. Wheaten flour and meal are also exported from Southern Rhodesia to the neighbouring colonies and protectorates, the chief markets being Northern Rhodesia and Bechuanaland. Since the manufacture of flour commenced, imports of this commodity, formerly a considerable item, have decreased.

DOMESTIC WHEAT PRODUCTION

Wheat is primarily a winter crop in Southern Rhodesia, as the existence of rust during the rainy, or summer, season makes its production unattractive to

growers. The main areas devoted to wheat cultivation are the vleis or valleys, which retain sufficient moisture throughout the growing season. Wheat is also grown on irrigated lands, but as there are only a few large irrigation schemes in the Colony, the bulk of the wheat grown is forthcoming from non-irrigated land.

There was a total estimated area of 18,744 acres under cultivation for the 1938 winter crop. This compares with 21,946 acres in 1937, 22,282 acres in 1936, and 20,588 acres in 1935. The decline in wheat acreage as between 1937 and 1938 seasons was due to the early cessation of rain prior to the 1938 growing season, resulting in a lack of moisture and consequent curtailment in the amount of wheat sown. The biggest increase in acreage devoted to wheat-growing was from 8,631 acres in 1931 to 14,053 acres in 1932.

The 1938 wheat yield is estimated at 36,700 bags of approximately 200 pounds as compared with 42,976 bags in 1937 and 58,099 bags in 1936. All of the above figures apply to winter crop wheat, the production of summer wheat forming a very small percentage of total production, i.e. 87 bags in 1937, 609 bags in 1936, and 316 bags in 1935. The yield per acre is very low, 2.2 bags in 1938, 2 bags in 1937, and 2.5 bags in 1936.

The principle varieties of wheat grown include Kenya Governor, Karachi, Klein Koren, Reward, Burbank or Quality, Montana, and Punjab, the three first-named varieties being the most popular. The estimated average consumption of wheat for the five-year period from 1933 to 1937 is placed at 21,970,896 pounds, only 38 per cent of which was produced in the Colony.

FLOUR TRADE

Separate figures showing the production of flour in the Colony are not available. The gross value of the output of the grain-milling industry in 1938 is placed at £663,931 (the only year for which this figure has been completed). Maize meal comprised more than 50 per cent of this total. Wheaten flour and meal followed maize meal in importance. Southern Rhodesia supplies a large percentage of the flour consumed in Northern Rhodesia and Bechuanaland and also makes flour shipments to other neighbouring territories.

EXPORTS OF WHEAT FLOUR AND MEAL

The value of wheat flour and wheat meal exported from Southern Rhodesia during the five years 1934 to 1938 is shown in the following table:—

	1938	1937	1936	1935	1934
Total	£54,594	£49,091	£26,474	£23,601	£28,929
Northern Rhodesia	52,538	47,163	23,968	20,687	20,440
Bechuanaland	1,590	1,832	2,188	2,232	1,494
Belgian Congo	327	57	210	307	655
Portuguese East Africa	78	34	107	29	68
Northeastern Rhodesia	56	2	.....	8	6
Nyasaland	5	3	.....	.....	.....
Southwest Africa . . . . .	.....	.....	1	.....	.....
Union of South Africa . . . .	.....	.....	.....	338	6,266

IMPORTS OF WHEAT FLOUR AND MEAL

The volume of flour imported into Southern Rhodesia has decreased in recent years. In view of the competition from the local industry, it may be expected to decline further. The following table shows the value of wheat flour and wheat meal imports into Southern Rhodesia for the calendar years 1938, 1937, 1936, 1935, and 1934:—

	1938	1937	1936	1935	1934
Total	£3,666	£3,500	£4,175	£6,864	£9,072
Australia	2,051	1,685	2,517	3,908	3,560
Canada	1,189	1,594	1,490	1,662	2,538
Union of South Africa	196	60	51	1,215	2,864
United Kingdom	154	57	1	4	....
Southern Rhodesia	43	....	....	....	....
India	33	57	16	45	106
Northern Rhodesia . . . . .	....	16	5	5	4
Bechuanaland . . . . .	....	31	48	....	....
United States . . . . .	....	....	47	25	....

WHEAT IMPORTS

Southern Rhodesia has enjoyed a high level of economic prosperity, particularly during the last six years. The mining industry has expanded rapidly, establishing production records each year. Secondary industries and commercial undertakings have closely followed the lead set by the mining industry and have increased in both variety and number, while the building and allied trades have been busily occupied. This widespread development has naturally been reflected in increased consumption of all staple foodstuffs, including wheat, for which the demand has increased sharply in recent years.

The value of wheat imports into Southern Rhodesia for the five calendar years 1934 to 1938 are shown in the following table:—

	1938	1937	1936	1935	1934
Total	£88,724	£61,741	£52,499	£50,639	£33,734
Australia	38,787	14,486	20,925	19,447	14,985
Canada	29,780	26,653	20,317	23,802	17,343
Argentina	13,773	7,427	....	2,362	390
Northern Rhodesia	5,295	8,047	11,184	4,839	980
Uruguay	1,069	....	....	....	....
Union of South Africa	18	5,067	73	189	36
United States	2	....	....	....	....
Kenya . . . . .	....	50	....	....	....
Holland . . . . .	....	11	....	....	....

The demand for imported wheat depends primarily on the Colony's domestic production. This varies somewhat from year to year, being largely governed by the amount of rainfall preceding the winter crop. Australian exports are fairly well placed, both as regards the lower prices quoted and closer proximity to the Rhodesian market than other leading world producing wheat countries.

TARIFF AND MILLING REGULATIONS

The rates of duty applying on wheat and flour imported into Southern Rhodesia are as follows:—

Tariff Item No. 15:	Duty "A"	Duty "B"	Duty "C"
	£ s. d.	£ s. d.	£ s. d.
(i) Wheat in the grainper 100 lbs.	0 1 2	0 1 2	0 1 0
(ii) Wheat ground or otherwise prepared (including flour)per 100 lbs.	0 5 0	0 5 0	0 4 6

The rates of duty listed under columns headed "Duty A" and "Duty B" apply to foreign countries and British Dominions, while those under column headed "Duty C" are applicable to the United Kingdom and British colonies. A rebate of customs duty on wheat is allowed when imported for milling, provided it is blended with domestic wheat in such proportion that the finished flour contains not less than 33½ per cent of the produce of the Colony. The Government has arranged a guaranteed price to local wheaterowers, which is payable by the millers in return for the rebate of duty which the millers are granted on imported wheat.

CANADA'S SHARE OF THE TRADE

Canada enjoys a considerable share of the total wheat imported into Southern Rhodesia. On three occasions during the past five years Canada held first posi-

tion as a supplier, being preceded in the other two years by Australia. The following figures show the value and percentage of wheat imported from Canada into Southern Rhodesia in the calendar years 1934 to 1938:—

Year	Value	Percentage of Total Imports
1938..	£29,780	33.5
1937..	26,653	43.1
1936..	20,317	38.6
1935..	23,802	47.0
1934..	17,343	51.4

The percentage and value of flour imports from Canada for the calendar years 1934 to 1938 were as follows:—

Year	Value	Percentage of Total Imports
1938	£1,189	32.4
1937	1,594	45.5
1936	1,490	35.6
1935	1,662	24.2
1934	2,538	27.9

The volume of wheat imported into Southern Rhodesia has advanced steadily during the last five years, and imports from overseas will in all probability register further increases. The quantity of imported wheat required is determined largely by the size of the domestic and Northern Rhodesian crops. In view of the relatively small returns secured by growers as compared with those resulting from cultivation of other crops more suited to soil and climatic conditions, there is every likelihood that Southern Rhodesia will be dependent upon overseas countries for a large percentage of her wheat supplies for some time to come. Although Canada's share of the wheat imports have shown percentage declines in recent years, the value has increased. It should continue to do so, since Canadian wheat is held in high regard by the Southern Rhodesia milling industry. There is every prospect, therefore, that Canada will ship increased quantities of wheat to Southern Rhodesia each year in order to help cater to that expanding industry. Conversely, imports of flour from Canada and other countries may be expected to decline.

WHEAT AND FLOUR TRADE IN NORTHERN RHODESIA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, September 12, 1939.—Northern Rhodesia's wheat and flour trade is carried on to a large extent with the neighbouring colony, Southern Rhodesia, to the practical exclusion of other suppliers of these two products. The entire wheat crop, which is very small in volume, is shipped to Southern Rhodesia for milling and blending and is returned in the form of flour. Northern Rhodesia's wheat imports are negligible as there is no milling industry in the colony. Prior to 1936, a small mill manufacturing "boer meal," a whole-meal flour sold chiefly to the native trade, was in operation at Lusaka. Production ceased, however, when the Farmers' Co-operative Society, who owned the enterprise, entered into an arrangement with millers in Southern Rhodesia for disposal of their yearly wheat crop. An over-abundant supply of rainfall in the summer season and a lack of moisture in the winter or wheat-growing season are the chief factors limiting wheat production.

Flour is one of the principal items on the import list from a value standpoint, and consumption has increased sharply in the last two years. This increase may be attributed to the high level of prosperity reached in the colony as a consequence of activity in the copper-mining areas.

FLOUR IMPORTS

Imports of wheat flour and meal into Northern Rhodesia for the past five calendar years are shown in the table below:—

	1938	1937	1936	1935	1934
Total..	£53,428	£48,181	£24,758	£21,850	£21,666
Southern Rhodesia	52,560	47,132	23,902	19,979	20,152
Union of South Africa	483	723	562	890	998
Australia..	215	257	250	743	438
Canada..	21	21	25	136	20
United States..	137	7	7	1	5
Other countries..	12	41	12	101	53

The dominant position held by Southern Rhodesia is clearly indicated by the foregoing figures. The milling industry in Southern Rhodesia has catered to the Northern Rhodesia flour market and its efforts have met with success. An import factor is, of course, proximity to principal markets, but it should be stated that Southern Rhodesian millers produce flour of high standard. To achieve this standard, Rhodesian wheat is blended with that imported from the world's leading wheat producers.

WHEAT PRODUCTION

Problems similar to those which confront wheat growers in Southern Rhodesia are present in Northern Rhodesia. Fairly heavy and continuous rains during the summer growing season make wheat-raising a somewhat hazardous venture, so that wheat-growing is chiefly undertaken during the winter or dry season. Lack of moisture is the chief obstacle encountered in the winter season, and this has a direct bearing on the size of the crop. Klein Koren and certain other varieties of Kenya wheats are the common types cultivated. The area in Northern Rhodesia under wheat cultivation or, for that matter, devoted to agricultural crops, is not large, as the climatic and soil conditions are not too favourable to agricultural development.

Wheat production and acreage in Northern Rhodesia for the calendar years 1934 to 1938 were as follows:—

Year	Production in Bags of 200 Pounds	Acres under Cultivation
1938..	5,021	1,822
1937..	5,504	2,524
1936..	11,121	4,249
1935..	18,228	3,234
1934..	12,564	2,845

MILLING REGULATIONS AND TARIFF

There are no Government regulations which affect wheat-growing or flour-milling in Northern Rhodesia.

Wheat and flour are subject to the following rates of duty upon importation:—

Tariff Item No. 15:	Duty "A" General Tariff	Duty "B" Preferential and Congo Basin Tariff
(a) Wheat:	£. s. d.	£. s. d.
(i) In the grain..	per 100 pounds 0 1 2	0 1 0
(ii) Ground or otherwise prepared..	per 100 pounds 0 4 6	0 4 6

Northern Rhodesia is divided into two basins, viz. Zambesi and Congo, for customs purposes. All nations enjoy commercial equality in that part of Northern Rhodesia lying in the Congo Basin. In this area there is allowed a 50 per cent rebate of the duty shown on wheat ground or otherwise prepared. The Congo Basin is not so important commercially as the Zambesi Basin,

where the general tariff rates apply on foreign imports of wheat and Empire imports are accorded preferential tariff treatment. On the other hand there is no Empire preference in the case of flour imports into the Zambesi Basin.

CANADA'S PARTICIPATION IN THE TRADE

Canada sells only a small quantity of flour to Northern Rhodesia and there is very little prospect of increasing shipments in the face of competition from Southern Rhodesia. Canada does, indirectly, participate in the flour and wheat trade of Northern Rhodesia, as a considerable amount of the wheat imported into Southern Rhodesia is obtained from Canada. Any increase, therefore in flour consumption in Northern Rhodesia may be expected to result in increases in the value of Canadian wheat purchased by Southern Rhodesia.

WHEAT AND FLOUR TRADE OF NYASALAND

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, September 13, 1939.—The market for wheat and flour in the Nyasaland Protectorate is very limited, total imports of these two products in 1938 being valued at only £3,229. The population of the protectorate in 1933 was placed at 1,611,314, comprised of 1,817 Europeans, 1,474 Asiatics, and 1,608,023 natives. Most of the natives are not potential purchasers of wheat flour, so that the demand is confined to a small percentage of the population. Wheat production is extremely small, amounting to approximately 200 hundred-weights per year.

IMPORTS

The value of wheat flour imports into Nyasaland for the calendar years 1934 to 1938 are shown in the following table:—

	1938	1937	1936	1935	1934
Total	£3,329	£3,048	£1,848	£2,542	£1,742
Australia	2,483	2,382	1,333	1,888	1,251
Canada	432	457	300	398	247
India	374	206	197	247	227
United Kingdom	28	...	...	...	...
Other countries	12	3	18	9	17

Statistics showing the separate imports of wheat in the grain are not available and the very small quantity imported is included in the figures of wheat flour imports.

Wheat flour is dutiable at an ad valorem rate of 13 per cent on entry into Nyasaland. This rate applies to all countries.

CANADA'S SHARE OF THE TRADE

Imports of flour from Canada increased gradually from 1934 up to 1937. There was a slight decrease in value in 1938 as compared with the previous year. Australian exporters have a definite advantage at present over Canadian millers in the form of a more favourable exchange rate, and they are, therefore, enabled to quote considerably lower prices. As Nyasaland is definitely a price rather than a quality market, it will be difficult for Canadian millers to obtain an increased share of Nyasaland's flour trade under existing conditions.

EAST AFRICAN WHEAT AND FLOUR TRADE

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, September 12, 1939.—The term "East African" includes the Crown Colonies of Kenya and Uganda, the Mandated Territory of Tanganyika, and for the purpose of this report, the Zanzibar Protectorate.

The population of Kenya and Uganda consists of $6\frac{1}{2}$ million natives, 59,000 Asiatics (chiefly Indians), and 20,000 Europeans. Tanganyika has a population of 5 million natives, 30,000 Asiatics, and 9,000 Europeans. In Zanzibar there are 187,000 natives, 33,000 Arabs, 16,000 Asiatics, and less than 200 Europeans. It is essential to keep these figures in mind when considering the possibilities of East Africa as a potential market for wheat or flour. The consumption of bread by the East African natives is a new development, and although increasing it will necessarily be a long time before it seriously displaces their present food crops of maize and millet. Next to the native there is the Asiatic population which has been more partial to rice, but here again the taste and desire for wheat bread is growing.

DOMESTIC WHEAT

These East African countries, situated on or just south of the Equator, will never become large wheat-producing countries; in fact, wheat at present is grown only in the highlands of Kenya at an altitude of 5,000 feet or more. The total area planted to wheat is 65,000 acres and the production about 25,000 tons. The wheat is rather soft but it is claimed to be stronger than English wheat. The quality is generally assumed to approximate that of Argentina. Many varieties are grown, depending on the several distinct climatic conditions, and this in turn results in considerable variation in quality. The varieties can be classed as spring wheats, although the daylight hours are never more than twelve in twenty-four.

LOCAL FLOUR-MILLS

There are nineteen flour mills in East Africa. Admittedly, the vast majority of them hardly deserve the name of a mill. There are really only three mills of any size, two being situated in the centre of the wheat-growing district and the largest in the main city in East Africa, Nairobi. This city is also the main consuming area for flour. At the port of Mombasa there are two small mills; while there are no mills at all in Uganda or Zanzibar. None of the flour mills control any bakeries.

CONTROL OF WHEAT TRADING

All trading in local wheat is controlled through one agency. About 20,000 short tons of wheat are consumed in East Africa, and of this about 18,000 short tons are provided from locally grown wheat. The Government tries, as far as reasonably possible, to discourage wheat and flour importations, but nevertheless imports continue to enter, especially along the coast. The producing areas in East Africa are situated many hundreds of miles inland, and to help local flour from the inland mills overcome import competition at the coast a rebate on the price of wheat, varying with the extent of the competition, is granted to the mills. The money for this rebate is obtained under the Sale of Wheat Ordinance, by the agency referred to above paying the farmer less for the wheat than they charge the mills.

IMPORTS OF WHEAT AND FLOUR

Imports of wheat and flour into East Africa in the calendar years 1934 to 1938 were as follows:—

Imports of Wheat into East Africa

	1934	1935	1936	1937	1938
	Hundredweights of 112 Pounds				
Kenya and Uganda.. . . .	4,418	6,078	7,243	20,930	46,823
Tanganyika	6,957	7,887	8,790	8,592	9,589
Zanzibar	5,580	5,834	5,693	5,555	6,234

Imports of Wheat Flour into East Africa

	1934	1935	1936	1937	1938
	Hundredweights of 112 Pounds				
Kenya and Uganda	34,970	30,346	5,009	26,765	29,450
Tanganyika	54,868	59,549	69,319	68,146	62,065
Zanzibar	39,425	82,458	60,532	47,650	54,950

The figures in the table of wheat imports indicate a considerable jump in wheat imports into Kenya and Uganda in 1937 and again in 1938, notwithstanding Government policy. In 1937 imports were received from India, Argentina, and Australia, whereas in 1938 imports were received almost entirely from Australia and Argentina. Tanganyika's imports are all from India, while Zanzibar's small imports are divided between India and Australia. Imports of wheat are apparently what could be considered soft wheat, the same as the country produces or a little softer. It would seem that Canadian hard wheat would be an infinitely better variety to blend with the local product, but Canadian prices are so high as to place it beyond the reach of the importer.

Flour imports into Kenya and Uganda, except in the year 1936, have been uniform in quantity, averaging around 30,000 hundredweights. All imports are from India. Tanganyika's imports consist largely of flour from Kenya and Uganda, and in the sense that these imports do not come from overseas they are not of the same interest. Zanzibar's imports are received from Australia and India, and here again price is the main consideration.

The Government, in addition to helping inland flour meet foreign competition at the coast ports, has taken other steps to restrict the importation of wheat and flour. There is imposed a basic customs duty of 6s. per 200 pounds. Applicable to Kenya, Uganda, and Tanganyika, there is also a special 3s. per 200 pounds suspended duty which may be imposed as circumstances demand and which has been levied on flour only as yet. Another method of restriction is the imposition of a heavy rail rate on imported wheat and flour. This rate amounts to 5·88s. per 200 pounds between the port of Mombasa and the chief consuming centre of Nairobi, instead of 2·86s. which would normally be charged on local wheat. In the case of flour the rate is 8·14s. between Mombasa and Nairobi instead of 4·40s. which would be charged on local flour. There are no quotas or restrictions other than the above.

In so far as Canadian shipments are concerned, apart from having to meet the low price, Canadian exporters would also have the further difficulty of shipping. Any direct shipment of Canadian flour would have to enter the equatorial belt twice, and experience has shown that when flour has a very long journey through tropical heat difficulties arise. Furthermore, shipments would have to be made direct from New York. If made via the Mediterranean they would probably have to be transhipped at Aden, which would not be at all satisfactory. In fact, no matter from what angle shipments to East Africa from Canada are considered, exporters would be at a serious disadvantage as compared with present sources of supply.

TRADE OF NORTHERN RHODESIA IN 1938

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, September 20, 1939.—The total external trade of Northern Rhodesia in 1938 declined from the record level reached in 1937. However, notwithstanding the decrease in total trade, the 1938 figure was still more than 80 per cent above that of 1936. Imports increased in value; the decline in total trade was brought about entirely by reduced exports. Copper accounts for a very large proportion of the colony's exports, so that any restriction in output

or decrease in price is immediately reflected in export totals. Production of blister and electrolytic copper in 1938 was higher than for the previous year, but prevailing world copper prices were lower, so that the value declined considerably. Cobalt and vanadium exports, two other of Northern Rhodesia's important mineral products, increased in both quantity and value in 1938 as compared with the previous year. Imports increased by £1,110,026 or 27·7 per cent, higher values being recorded in the majority of the colony's leading import items.

General economic conditions were maintained at a high level during 1938, and several new industrial and commercial enterprises have now come into operation.

TOTAL TRADE

Imports, exports, re-exports, and total trade of Northern Rhodesia for the calendar years 1938, 1937, and 1936 are shown in the following table:—

	1938	1937	1936
Imports	£ 5,114,428	£ 4,004,402	£2,291,953
Exports	10,026,931	11,903,712	5,936,692
Re-exports	104,010	117,830	100,924
Total	£15,245,369	£16,025,944	£8,329,569

MAIN EXPORTS

Northern Rhodesia's domestic exports were valued at £10,026,931 in 1938, a decrease from £11,903,712 in the previous year. Minerals again were the principal products exported, copper accounting for 88 per cent of the total.

Values of Northern Rhodesia's principal exports in 1938 and 1937 are listed below:—

	1938	1937
Total domestic exports	£10,026,931	£11,903,712
Copper	8,858,570	10,704,078
Cobalt alloy	475,385	292,328
Vanadic oxide (fused)	281,310	112,170
Railway sleepers	127,183	101,059
Zinc	90,941	377,991
Tobacco (unmanufactured)	72,961	41,779
Wood (unmanufactured)	40,995	39,365

DESTINATION OF EXPORTS

During 1938, domestic exports from Northern Rhodesia to foreign countries were valued at £5,622,612 (56 per cent of the total) as compared with £5,299,190 (44·5 per cent) in 1937. The chief foreign markets were Germany, Italy, Belgium, United States, and France, exports to these countries, Belgium excepted, consisting chiefly of copper. Exports to Belgium included cobalt alloy valued at £461,510. The value of domestic exports to Empire countries declined from £6,604,522 (55·5 per cent) in 1937 to £4,404,319 (43·9 per cent) in 1938. There was a sharp decline in the value of exports to the United Kingdom; this country, however, still maintained its place as chief purchaser of Northern Rhodesia's products. Other important Empire markets were Southern Rhodesia and the Union of South Africa.

Domestic exports in 1938 and 1937 to principal purchasing countries are shown below:—

	1938	1937
United Kingdom	£3,978,378	£6,190,958
Germany	3,184,739	2,987,074
Italy	1,025,368	1,266,374
Belgium	897,678	404,768
Union of South Africa	266,284	323,649
United States	186,437	124,134
Southern Rhodesia	132,159	79,539
France	104,182	300,600

PRINCIPAL IMPORTS

Practically all of the more important import items showed increased values in 1938 as compared with the previous year. The largest increase took place in the "metals, metal manufactures, machinery and vehicles" group, which includes such items as mining and electrical machinery. Of the thirteen groups into which imports are classified in the annual trade returns, only one, "oils, waxes, resins, paints, and varnishes," declined in value in 1938 as compared with 1937.

Twenty-two single import items exceeded £50,000 in value in 1938, and twenty-one of these increased in value as compared with the preceding year's figure. The chief commodities imported included: mining machinery, £695,728 in 1938 (£510,046 in 1937); electrical machinery and material, £455,085 (£235,892); cotton piece-goods, £213,087 (£200,207); coal, £210,942 (£180,998); blasting compounds, £209,483 (£190,364); railway material, £124,547 (£47,178); steam boilers, £123,021 (£8,136); motor cars, £113,892 (£87,647); outer garments, £101,758 (£87,963); pipes and piping, £100,524 (£99,265); beer, ale, stout, and cider, £88,092 (£72,727); iron and steel manufactures n.e.e., £87,260 (£69,020); galvanized sheet and plate, £79,137 (£82,571); angle, channel, bar, and rod steel and iron, £73,110 (£54,060); underclothing, £71,402 (£66,698); building cement, £62,522 (£46,761); motor trucks and vans, £62,505 (£34,600); blankets and rugs, £60,789 (£57,571); machinery and parts n.e.e., £59,419 (£31,847); industrial machinery n.e.e., £54,583 (£32,850); and flour, £53,428 (£48,181).

CHIEF SOURCES OF IMPORTS

Northern Rhodesian imports are obtained mainly from Empire countries. In 1938 imports valued at £4,012,527 (78·5 per cent) were of Empire origin. This compares with £2,989,883 (74·7 per cent) in the preceding year. Imports from the United Kingdom, the Union of South Africa, and Southern Rhodesia, the leading Empire suppliers, all increased in value in the year under review, those from the United Kingdom in particular showing a large increase. Foreign countries supplied imports valued at £1,101,901 (21·5 per cent) in 1938, a slight increase in value but a decline in percentage as compared with £1,014,519 (25·3 per cent) in 1937.

The value of private merchandise imports into Northern Rhodesia in 1938 and 1937 from leading Empire and foreign countries is shown in the following table, the percentage of total imports being given in each case:—

	1938		1937	
	£	Per Cent	£	Per Cent
Total	5,114,428	100.0	4,004,402	100.0
United Kingdom	2,226,987	43.5	1,472,739	36.8
Union of South Africa	809,870	15.8	715,814	17.9
Southern Rhodesia	754,027	14.8	623,642	15.6
United States	522,612	10.2	474,948	11.9
Canada	136,113	2.7	98,484	2.4
Japan	117,233	2.3	113,891	2.8
Germany	99,180	1.9	91,079	2.3
Belgium	90,368	1.8	86,446	2.2

TRADE WITH CANADA

Imports from Canada into Northern Rhodesia in 1938 showed the second successive annual increase, being valued at £136,113 (2·7 per cent of total imports) as compared with £98,484 (2·4 per cent) in 1937 and £60,292 (2·6 per cent) in 1936. A large percentage of the principal commodities regularly imported from Canada increased in value, the principal gains being in belting (machinery), from £2,174 in 1937 to £19,019 in 1938; electrical machinery and material, from £8,038 to £15,654; and in motor trucks and vans, from £9,022 to

£15,980. Imports of unmanufactured wood were valued at £17,213 in 1938 as against £24,439 in 1937. As was the case in 1937, a few additional products not previously imported from Canada in any considerable volume now appear on the list.

The following commodities made up a large part of the imports from Canada into Northern Rhodesia in the calendar years 1938 and 1937:—

Principal Imports from Canada into Northern Rhodesia

	1938	1937
Motor cars	£19,801	£17,163
Belting (machinery)	19,019	2,174
Wood (unmanufactured)	17,213	24,439
Motor trucks and vans	15,980	9,022
Electrical machinery and material	15,654	8,038
Milk (including cream) condensed, desiccated or pre-served	7,312	5,417
Motor-car parts and accessories	5,276	3,201
Refractory bricks and cements	4,988	872
Tires and tubes	4,899	4,283
Agricultural machinery and implements (other than dairy)	4,418	4,813
Wood manufactures n.e.e.	3,052	1,670
Silk hosiery	2,585	1,836
Wrapping paper	1,531	890
Mining machinery	1,242	404
Outer garments	1,151	229
Gauze and screening (mosquito)	920	924
Machine tools	785	1,424
Footwear	734	365
Bolts, nuts, rivets and screws, and nails	706	721
Motor-truck and van chassis	663	1,788
Preserved fish	647	486
Pipes and piping	512	1,054
Industrial machinery n.e.e.	491	1,247
Preserved vegetables	445	260
Pickles, condiments and sauces	436	152
Apples	421	404
Pickaxes, shovels and ballast forks	402	1,449
Cereals	383	264
Joinery	366	31
Rubber manufactures n.e.e.	344	277

INQUIRIES IN AUSTRALIA FOR CANADIAN GOODS

Mr. Frederick Palmer, Canadian Trade Commissioner, 83 William Street, Melbourne, Australia, advises that he is in receipt of inquiries for the under-mentioned products:—

Textiles, etc.—Curtain material (fast dyes only, velvets, modern weaves, etc.); band-ages, cotton crepe.

Metals, Metal Manufactures, Machinery, etc.—*High-grade tradesmen's tools; hand and bench tools; reamers; levels; wrenches; hammers; saws* (the last three items are required in cheaper as well as better grade lines; flexible tubing and flexible shafting unpolished, all diameters, in lengths of 100 feet; vacuum cleaner tubing, cotton-covered and nickel-plated in continuous lengths of 100 feet; hoop iron, cold-rolled, for trunk and bag making in plain and japanned; *copper strip* (for manufacture of automobile radiators); *black sheets* for galvanizing (gauges 22, 24, 26, 28 and 30, in sizes 6 feet by 3 feet and 6 feet by 2½ feet); steel strip from 2 inches to largest possible sizes, electro-brassed, n.p.-chromed, coppered, plain, embossed or decorated, in various gauges (for use in stamping out buckles, clasps and similar small articles); watchmen's clocks; small rivets, aluminium and annealed steel, used in manufacture of loudspeakers; special steel alloy sheets for manufacture of loudspeakers; hurricane lamps, glasses white, ruby red, green and blue, packings required are 1, 2 and 5 dozen per case; oil room heaters, 20-inch and 30-inch burners; thermos vacuum flasks, 1, 1½, 2 pints content (largest turnover in cheapest executions of 1 pint); *blow lamps* for painters and all other types of blow lamps; *brazing lamps*, ½ pint up to 6 pints content; bathheaters, gas, kerosene, crude oil, liquid gas, instantaneous and storage system; enamelled wires.

Electric Machinery, etc.—Electric tools, high precision, such as electric hand shears for cutting sheet metal, 220-250 V. 50 cycles A.C. and D.C.; electrical wire and cords.

Earthenware, etc.—Porcelain marbles, hard-drawn for lithographers, 24 mm. diameter; tiles, wall and floor, sizes 4 inches by 4 inches or 6 inches by 3 inches, cream, white, green, ivory, also mottled and colours; *plate glass*; *architectural glass* (similar to Carrara); *wired cut glass*; glass tinsel powder.

Paper, etc.—Tracing and detail paper for architects, 50-yard rolls and 30 inches wide; sectional paper; decoration paper for window display; aluminium foils in sheets and/or rolls 20 inches or 30 inches wide, 30 inches or bigger preferred; *unglazed greaseproof paper*; vegetable parchment paper; *hard-beaten sulphite paper*.

Miscellaneous.—*Shaving brushes*, rubber set, preferably cheap chain store lines; artists' brushes, camelhair, etc., similar to American model Paasche; *poster colours* for commercial artists and students; *drawing inks* for architects; carbon brush parts for motor cars and generators; *runners and tops* for making fishing rods (genuine agates, imitation agates, porcelains); materials for making artificial flowers (holly berries, carnation seeds, poppy seeds, stems, special paper for making leaves, etc.); wooden mouldings, foil covered in silver and gold, and coloured foils for use in interior decoration in shop windows and house decorations; wooden shootrees in beech wood with spiral spring; elastics, saddle, surgical, waist-band for sport trousers; degreasing compounds for degreasing metal and for use in dairies; *fancy leather goods*; *fancy hides*; all lines about \$0.20 f.a.s. suitable for chain stores.

Items italicized are those for which agencies are desired. Canadian manufacturers in a position to cater to these requirements are requested to forward fullest particulars of offerings, with prices c.i.f. Melbourne, terms, etc., to Mr. Palmer as early as possible.

UNITED STATES MARKET FOR GRASS AND CLOVER SEEDS*

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

New York, November 2, 1939.—In general the seed crop season in the United States has been satisfactory from all points of view. Crops in no cases have been actually short, and prices have held at levels satisfactory to both growers and seedsmen, so that the movement of seeds into the channels of distribution has been steadily carried forward. The prolonged summer drought in the Eastern States has created a good demand for grass seeds, and the relatively high values for hay will stimulate the sowing of clovers, timothy, and alfalfa. Contrary to the effect on the feed and grain markets, the outbreak of war has not resulted in any wide disruption of the seed market, which has been noticeably calm.

RED AND ALSIKE CLOVERS

Under ordinary circumstances the United States is not a heavy importer of either of these clover seeds, but for the years ending June 30, 1937 and 1938, substantial quantities of both, particularly red clover, were imported. The following table compares production with imports for the period 1936 to 1938 inclusive:—

Imports and Production of Red and Alsike Clover

	1936		1937		1938	
	Pro- duction	Imports*	Pro- duction	Imports*	Pro- duction	Imports*
Figures in 1,000 Pounds						
Red clover.. . . .	42,588	13,879	26,222	8,532	109,800	598
Alsike clover .. .	27,756	3,139	17,482	910	25,500	7
Total.. . . .	70,344	17,018	43,704	9,442	135,300	605

* For year beginning July 1.

* A report entitled "Alfalfa Seed Situation in the United States" was published in *Commercial Intelligence Journal* No. 1866 (November 4, 1939).

DISTRIBUTION OF IMPORTS

Canada has supplied most of the alsike imports but only a relatively small proportion of the red clover seed. For the year beginning July 1, 1936, Canada's share of red clover shipments was 2,497,000 pounds, the bulk being imported from Poland, France, Hungary, and Rumania. In the following year Canada supplied 937,900 pounds. French and Rumanian seed is currently offered, but it seems doubtful whether there will be much demand for such seed.

The increase in clover imports for the year beginning July 1, 1936, coincided with a slightly reduced total production and also with a reduction in duty from 8 cents per pound to 4 cents. There was a considerable carry-over of red clover seed into 1937, and it will be noticed that, despite a drastically reduced clover production in that year, imports fell off appreciably.

DOMESTIC PRODUCTION

Production for this year is estimated at 19,500,000 pounds and 80,580,000 pounds respectively for alsike and red clover seed. While these figures are both under the 1938 levels, red clover is well over average and alsike only slightly under normal production. The carry-over of these seeds is estimated at about 1,500,000 pounds for alsike and 5,000,000 pounds for red clover. In such circumstances there is not likely to arise any substantial demand for imported seed this year, particularly as there are indications of an ample supply of alfalfa seed. However, in keeping with the generally satisfactory levels maintained this season, prices for both seeds have held up well.

Ohio, Indiana, Illinois, Michigan, and Idaho are the principal red clover seed producing states, whereas the bulk of the alsike seed is provided by Ohio, Michigan, Minnesota, and Oregon. Decreases in red clover production are most marked in the eastern producing belt, notably Ohio, Indiana, and Illinois. Michigan production of both alsike and red clover is reported to be of excellent quality. Alsike production is particularly reduced in Ohio and Michigan, whereas increases are recorded for Minnesota and Oregon. Iowa, which ordinarily imports this seed, has a surplus this year.

The clover hay belt runs from New York across the Northern States to Minnesota, including Iowa, Illinois, and Indiana. The Dakotas are not heavy clover hay states but Montana is a large producer. New York, Pennsylvania, Ohio, and Wisconsin are particularly heavy clover hay states, and it will be noted that except for Ohio none of them is listed among the principal seed producers. In fact, New York and Pennsylvania are shown as producing only insignificant amounts of seed.

PRICES

Prices of alsike have advanced steadily since August, when the average price to growers was about \$12.50 per 100 pounds for clean seed. By the end of August prices averaged \$14, and during September advanced again to \$15 as compared with \$18.40 for the 1933-37 average. At these prices the movement of seed out of growers' hands was somewhat faster than usual, 65 per cent having been sold as against 60 per cent for the average. It is also interesting to note that already 30,000 pounds of alsike has been imported from Canada, but there seems to be little active demand for imported seed.

Prices on red clover to growers averaged from \$14 to \$14.50 per 100 pounds, basis clean seed, as compared with \$18 for the 5-year average for the middle of September. The market advanced slightly towards the end of the month.

SWEET CLOVER

Each year for the past few years, prospects for the importation of sweet clover seed have not appeared hopeful from the statistical data available. Yet

in spite of this, imports have mounted steadily, as the following table of imports and production shows:—

Production and Imports of Sweet Clover

	Production Figures in 1,000 Pounds	Imports Pounds
1927-36 average..	49,615	....
1936..	46,200	5,522
1937..	49,020	9,410
1938..	54,834	10,292
1939..	63,180	....

Imports are for years beginning July 1 in each case. The 1927-36 figures of imports are not available, since prior to 1930 sweet clover was not separately classified. Up to 1936, however, imports were insignificant, and it may be assumed that this import movement is of recent origin.

The duty on sweet clover seed was reduced in 1936 from 4 cents to the present level of 2 cents per pound. Each year the ample supplies of local clover have apparently affected adversely importations from Canada, and this year, with the largest crop on record coupled with a carry-over of nearly 5,000,000 pounds, it seems even more difficult than heretofore to import seed from Canada. Despite this situation, imports up to the end of September reached 127,100 pounds as against 89,100 pounds in the corresponding period of last year, and prices have been above those of 1938.

PRICES

Prices to the growers at the beginning of September had dropped to an average of \$3.50 per 100 pounds, but during the first part of September they strengthened to about \$3.95, which compares favourably with \$3.15 last year and \$4.85 for the 5-year average at the same time of the year. Prices held firm during the greater part of October, but some firms expect them to drop in view of the heavy production. However, the crop has moved well into consumption, and both buyers and sellers appeared to be satisfied with the ruling prices. Up to the middle of September about 35 per cent of the crop had been sold as against 8 per cent at the same date last year. The quality of this year's crop is somewhat better than that of last year's.

Sweet clover is strictly a western crop, there being little used in the east. About 50 per cent of the total seed production comes from Minnesota, the balance being mostly divided between Illinois, Missouri, the Dakotas, Nebraska, and Kansas. Minnesota's acreage is reduced from that of last year's, but an increased yield is expected to bring production up to last year's figure of 24,000,000 pounds. Illinois and Missouri are reported to have smaller crops than in 1938 (when their production was abnormally high), but other main producing states will probably show increases.

There is similarly practically no sweet clover hay grown in the Eastern States, about 50 per cent of the total sweet clover hay crop harvested in recent years coming from Minnesota and North Dakota.

TIMOTHY

Except for some exceptional years of drought, such as 1934, timothy seed is on an export rather than import basis. Production this year was estimated in August at about 56,000,000 pounds, which compares with 67,252,000 pounds last year and 77,000,000 pounds for the ten-year average. Since this first estimate, conditions in certain areas have improved, and production might equal that of last year. In addition there was a heavy carry-over (from a too heavy production in 1937 following the record crop of 1935) of 21,000,000 pounds.

Although the crop has moved out of farmers' hands more rapidly than usual, prices of this crop have been disappointing, considering the prospects of an under-normal yield and higher prices for hay. There was some decline during August, but in September prices to the growers strengthened slightly to \$3.50 per 100 pounds of clean seed, which compares with \$2.40 last year and \$6.40 for the 5-year average.

FACTORS AFFECTING PRICES

This moderate price situation was no doubt the result of a very dry autumn in the main timothy seed areas of Iowa and Missouri (producing normally over two-thirds of the total), which cut down plantings. Production in northern Missouri and southern Iowa was disproportionately reduced, whereas other less important producing states to the east, such as Illinois, Indiana, and Ohio, had abnormally large crops. These states are in a better position to supply the eastern demand, so that there was less interest than usual from that market in the Iowa and Missouri seed.

It would seem logical that prices for this seed should advance in the spring, particularly if the hay market holds at present levels, and if any heavy demand should develop from Canada. Some dealers seem to doubt whether the United States could easily supply as much as 5,000,000 pounds to Canada.

CRESTED WHEAT AND BROME GRASS

No statistics of production are available for these two seeds, but they have been in some considerable demand in recent years because of their desirability in connection with soil conservation. Most of the domestic brome grass is produced in North Dakota, with some small volume supplied from Washington, California, and Oregon, but in general the trade depends on supplies from Canada. The domestic seed is not as free from quack grass and other noxious weeds as is the Canadian product, so that the local crop has little effect on imports.

Crested wheat grass, on the other hand, is less dependent on imports, there being a fairly good production in the Dakotas, Montana, and Oregon. Most of the domestic crop is of the standard strain, but there is a good demand for Canadian fairway.

The following table of imports during the years 1936 to 1938 (beginning July 1) shows the increasing market for these seeds:—

Imports of Brome Grass and Crested Wheat

	Brome Lbs.	Crested Wheat Lbs.
1936.....	768,400	*
1937.....	934,000	103,400
1938.....	2,189,200	560,200

* Figures not available.

PRODUCTION AND IMPORTS

The increase in imports in 1938 followed a shorter brome crop but an increased crested wheat grass production. This year the brome seed crop is estimated to be about the same as, or perhaps slightly larger than, that of last year when production was unofficially estimated at about 600,000 pounds. It has had little effect on imports, which up to the end of September reached 379,800 pounds as compared with 153,300 pounds for the same period last year. The crested wheat crop is also reported to be larger (estimated at 2,000,000 pounds last year), but the demand has been strong and there has been no evidence of a surplus. Prices were low but strengthened recently; and by the

middle of October growers were receiving 10 cents per pound. Imports up to the end of September were 127,100 pounds as compared with 89,100 for the corresponding nine months of last year.

The duty on crested wheat grass and bromo grass seed was reduced under the Canada-United States Trade Agreement of 1938 from 2 cents to 1 cent per pound.

WESTERN RYE GRASS

There is little information available concerning this grass; it does not seem to be in great demand. Imports from Canada do not appear to have ever been important, at least no separate classification of this seed is found in the United States statistics. However, there is considerable production in Oregon and other parts of the United States, and it is fairly extensively used in cheap lawn grass mixtures and for winter pasturage in the Southern States.

There is reported to be a fairly large crop in the United States this year, but prices are not below those of last year. Wholesale selling prices at Kansas City, Missouri, are about \$5.25 per 100 pounds. While imports of Western rye grass are small, there is a fairly substantial trade in perennial rye grass from Great Britain, Northern Ireland, and New Zealand, and also irregular imports of Italian rye grass from Denmark, Great Britain, and Northern Ireland.

The duty on rye grass was reduced from 3 to 1½ cents per pound at the beginning of 1939, under the United Kingdom-United States Trade Agreement.

CANADIAN BLUE GRASS

Canadian blue grass is in demand in certain sections, particularly in the New England States and along the Atlantic seaboard. It is imported regularly in amounts averaging about 150,000 pounds per year, but for the past year (ending June 30, 1939) the volume was reduced to 13,900 pounds as compared with 180,800 pounds for the previous year. This reduction was the result of a below-average crop in Canada last year and low prices for blue grass in the United States rather than any reduction in demand.

Imports are only indirectly affected by the Kentucky blue grass crop, which this year is estimated at between 1,225,000 to 1,475,000 bushels of rough cured seed as compared with 1,300,000 bushels last year and 2,280,000 bushels for the 1933-37 average. It is unofficially estimated that there were about five cars of Canadian seed reproduced in the United States this year. Moreover, the carry-over of Kentucky blue grass is small, being estimated at about 625,000 bushels (averaging 14 pounds), so that there has been a strong demand for blue grass seed which is reflected in higher prices. The carry-over to last year was estimated at 1,750,000 bushels.

Although prices dropped during July and August, at the middle of the latter month, when about 93 per cent of the crops had been sold by growers, the average price paid was about 94 cents per bushel as compared with 52 cents last year and 70 cents for the five-year average.

Canadian seed can be sold, particularly this year, at the same prices as Kentucky blue grass.

The duty on Canadian blue grass is 2½ cents per pound, having been reduced from 5 cents by the Canada-United States Trade Agreement of 1935.

BENT GRASS

Because of the high duty of 40 cents per pound in effect since 1930, imports of bent grass seed have not averaged over 30,000 pounds in recent years. However, under the Canada-United States Trade Agreement of 1938, the duty was reduced to 20 cents, with the immediate result that imports rose to 139,000 pounds for the year ending June 30, 1939, from 23,300 pounds in the previous

year. No details concerning countries of origin are available for 1939, but it is probable that most of the shipments were from New Zealand, with possibly some from the Netherlands, Germany, and Canada.

IMPORTS AND PRICES

However, Oregon is a fairly heavy producer of bent grass of the Seaside and Astoria varieties. This year the crop has been larger than usual, although most recent reports indicate some reduction in the final outturn. Prices for the domestic crop have been lower than for the imported product, although recent advances have somewhat equalized the quotations. Wholesale buying prices of Oregon bent, delivered at New York, are about \$50 per 100 pounds for high purity certified seed. There has been some New Zealand bent imported since the beginning of July at \$28 per 100 pounds c.i.f. New York. This seed competes directly with the Oregon Astoria bent. Total imports up to the end of September amounted to 39,100 pounds, most of which was undoubtedly from New Zealand. However, it is possible that some Dutch creeping bent was included in this figure. This seed is said to contain about 25 per cent velvet bent, and sells at a premium over the domestic. The Netherlands' seed was quoted at from 35 to 38 cents c.i.f. New York.

There is a small volume of velvet bent produced in New Jersey, but there is always interest in this variety at prices considerably above quotations for the other types. It is reported that velvet bent is being quoted at about 70 to 75 cents per pound, but prices would depend more on its purity and germination in the absence of any substantial supplies either domestic or foreign.

Because of the drought in the Eastern States there has been a stronger demand than usual for lawn grass seed, and there is little doubt that any surplus of bent seed produced in Canada will find a ready outlet, the Canadian seed being highly regarded.

CHEWING AND CREEPING FESCUE

Although the production of chewing fescue seed is being developed in Oregon, and in Washington to a lesser extent, up to the present the requirements in these fescue seeds have been met mostly by imports. The supply has centred principally in chewing fescue from New Zealand, but there has been a smaller importation of creeping red fescue, mostly from Germany and Hungary. The following table shows imports of chewing and other fescues (mostly creeping red fescue) for the period 1935 to 1938, beginning July 1 in each year:—

Imports of Fescues

	1935	1936	1937	1938
		Figures in Pounds		
Total chewing fescue*.. . . .	702,800	1,131,600	1,178,900	885,900
Total other.. . . .	77,100	114,300	189,400	331,500
Germany†.. . . .	55,900	102,600	108,600	.....
Netherlands.. . . .	14,100	11,500	74,900	....

* All from New Zealand. † Probably includes Hungarian seed.

Although the results from the seeding of creeping fescue are highly successful, nevertheless the larger size of the seed adversely affects the sales appeal of mixtures containing it, as it is too conspicuous. Furthermore, the New Zealand prices have been consistently below those for creeping fescue from Germany. However, last year because of successive years of low crops in New Zealand, the price of the latter seed was considerably advanced, so that there was a stronger interest in creeping fescue, which was quoted from Germany at 40 to 50 cents per pound c.i.f. New York, the duty being 2 cents per pound.

PRICES

This year, following the stronger demand for all grass seeds and a short crop in New Zealand, prices have reached the highest levels for some time. New Zealand prices for chewing fescue are about 42 cents per pound c.i.f. New York for 99 per cent pure and 90 per cent germination. In normal years prices on the New Zealand seed runs from 15 to 20 cents per pound. Domestic seed (97 per cent pure) sold at 40 cents per pound f.o.b. Portland, Oregon. Creeping red fescue from Hungary is quoted at from 36 to 38 cents c.i.f. New York, but up to the end of September there were practically no imports of the latter (in 1938 the year's total of the imported "other fescues" had been brought in by this time), while imports of chewing fescue reached 244,700 pounds as compared with 343,800 pounds for the same period last year.

PRODUCTION

The production of chewing fescue seed has been started only recently in the states of Oregon and Washington. In 1938 the acreage amounted to about 500, but this spring it was increased to about 2,000. Average yields are estimated at about 200 pounds per acre, but although the early forecasts indicated a crop of about 400,000 pounds, private sources consider that the final crop may possibly be about half of the forecasted figure owing to adverse weather conditions. About 95 per cent of this production is in Oregon, and it is expected by the United States authorities that eventually domestic production will be sufficient to eliminate imports.

The production of red creeping fescue is not as far advanced as is that of chewing fescue. It is produced in Oregon and Washington in minor quantities only, but it is possible that production will be increased, as prices are relatively high and it has proved a good hardy pasture and turf grass. In 1938 production was under 500 pounds, but last autumn there were increased seedings in western Oregon from Alberta seed, possibly up to 50 or 60 acres.

NETHERLANDS MARKET FOR HONEY

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

(For ton read metric ton of 2,205 pounds; one kilo equals 2.2 pounds; one florin or guilder equals approximately \$0.59 Canadian at current rate of exchange)

Rotterdam, October 24, 1939.—Due to wartime conditions and attendant difficulties of securing supplies, prices of honey in Holland have advanced considerably. Demand is brisk, and the trade reports a good turnover in available stocks.

DOMESTIC SUPPLIES

Exact figures of domestically produced honey are not published. Under ordinary circumstances the output is about sufficient to meet the local demand for table use. During the past season, which was exceptionally dry, the clover did not flower sufficiently, and domestic production was poor. There is only a limited production of buckwheat and dark honeys.

VARIETIES IN DEMAND

The demand in Holland is mainly for the buckwheat variety. This is used by confectioners and bakers, as a mixing ingredient in cakes and pastries. Dark, dark amber, and light amber are the colours most preferred. Annual honey imports approximate 5,000 tons, the bulk of which is of the buckwheat variety. This year, for the first time in a considerable period, buyers are also interested

in imported clover honey, due partly to the lessened domestic supplies and mainly to the exceptional world conditions.

IMPORTS

Foreign honey for the Holland market is imported principally from Central America. In 1938, out of a total of 5,113 tons valued at fl.912,000 Cuba was as usual the chief supplier with 2,932 tons (fl.485,000). Mexico was in second place with 809 tons (fl.131,000), followed by the United States with 473 tons (fl.92,000) and France with 323 tons (fl.93,000). Other important shippers were the Dominican Republic, Guatemala, and Canada, which supplied 57 tons of buckwheat honey (fl.14,000). Details of imports are given in the appended table, together with comparative figures for 1937:—

	1938		1937	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total..	5,113	912	4,873	911
Belgium..	9	2	2	1
France..	323	93	287	99
Greece..	14	2	....	...
Canada..	57	14	110	28
Chile.. . . . .	....	....	32	6
Costa Rica..	15	3	6	1
Cuba..	2,932	485	3,305	563
Dominican Republic..	260	41	38	7
Haiti..	38	6	42	7
Mexico..	809	131	618	102
Salvador.. . . . .	....	....	16	3
Peru..	19	3	....	....
United States..	473	92	179	44
Guatemala..	129	31	180	39
Australia..	10	2	23	4

For the months January to September, 1939, imports of foreign honey totalled 4,659 tons (fl.841,000) as compared with 3,884 tons (fl.678,000) during the first nine months of 1938, an increase of 775 tons and fl.163,000, or roughly 20 per cent. As shown in the following table, imports from Canada in the 1939 period totalled 130 tons (fl.25,000) as against no shipments to this market in the corresponding period of 1938 following the short honey crop of 1937 in the Dominion as compared with the record harvest of 1938:—

	Jan.-Sept. 1939		Jan.-Sept. 1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total..	4,659	841	3,884	678
France..	48	17	226	60
Cuba..	2,979	515	2,430	402
Dominican Republic..	128	21	147	23
Mexico..	570	100	698	113
United States..	660	129	185	27
Guatemala..	82	22	104	25
Canada..	130	25	....	....

PACKING

The local trade prefers barrel packing, as this form is more acceptable to the ultimate consumer. Cuban shippers use large casks containing 50 gallons with a gross weight of about 550 pounds. They allow a 12 per cent reduction for tare. New barrels are favoured. Honey in bulk containers of greater quantity—300 kilos (660 pounds)—may also be readily sold, and even small barrels of 150 pounds are preferred to the usual Canadian 60-pound tins. Exporters will find that business is obtained more readily in this market if they are willing to pack in larger containers.

PRICES

Prices of all types of honey show a distinct advance over quotations which prevailed for similar grades at this time last year. Domestic honey, which is

usually put up in glass jars and sold direct by the apiaries to the retailers, is also higher. Prices fluctuate slightly between shops, although the general range is between fl.0.50 per $\frac{1}{2}$ -kilo jar (30 cents for 1.1 pound) for dark honey and fl.1 per $\frac{1}{2}$ -kilo (59 cents for 1.1 pound) for the best quality table honey.

CANADA

Considerable business has been concluded with Canadian exporters for October-November shipment. Prices hardened after the outbreak of hostilities and by the end of September had risen about 50 per cent on a c.i.f. Rotterdam basis. At the moment, however, no further quantity offers are being made by Canadian exporters. Available shipping space is limited.

FRANCE (BRITTANY)

Buckwheat honey from Brittany has long been regarded as a standard in this market, and it is with this grade that Canadian supplies are most often compared. For some time it was expected by dealers that France would not export this year, due to wartime conditions. Recently, however, Brittany honey has been offered at fl.32 per 100 kilograms ($8\frac{2}{3}$ cents per pound) free on rail or f.o.b. French shipping port, and some business has now been concluded at that price.

CUBA

During September, purchases were made of pale amber Havana honey at from 64 to 70 cents (United States currency) per gallon of 5.29 kilos (11.64 pounds) c.i.f. Rotterdam for shipment by Netherlands steamer *Leerdam*, scheduled to clear from Havana on October 3. Current Cuban honey was also bought during the same month at from 60 to 70 cents per gallon the same basis. Present offers are 74 cents for light amber Cuban and 80 cents for light yellow, but without buyers. There are also quotations for small remaining quantities of light amber at \$13, extra light amber at \$14, and white at \$15 per 100 kilos (220 pounds) c.i.f. Rotterdam, tare 12 per cent, packed in about 300-kilo (660-pound) barrels.

All the foregoing prices are in United States dollars and on the basis of irrevocable letter of credit established in country of origin before shipment. Any freight increase and war risk insurance are for buyers' account. Offers are sporadic, reserves seem to be small, and sellers are trying to dispose of what small stocks there are at highest possible prices. This time last year Cuban honey was selling at approximately \$10 to \$11 c.i.f. Rotterdam.

MEXICO

Supplies from Mexico are apparently sold out. New crop collections are now in progress, and offers are expected shortly. The last business done was at United States \$13 per 100 kilos (220 pounds) for special quality in tins c.i.f. Amsterdam/Rotterdam and \$11.50 for f.a.q. in barrels. These prices will likely be increased considerably.

DOMINICAN REPUBLIC, HAITI, CHILE, PERU

During the last few months none of these countries has offered at all. No information is available in this market concerning current stocks or new crop prospects.

PRESENT MARKET SITUATION

Since supplies of honey are difficult to obtain, prices have risen considerably and may continue to do so. Against further advances, however, is the fact that Germany, which has always bought large quantities of honey, is now out of the market, so that when new crop Central America supplies are again available there may be some recession from present levels. For the time being, however, the Netherlands market is decidedly firm.

DUTIES

Holland has a one-column tariff and imports from all countries are subject to the same duties. The rate on honey in bulk (i.e. in usual commercial containers) is 1 per cent ad valorem plus fl.5 per 100 kilos ($1\frac{1}{2}$ cent per pound). On honey packed in containers and weighing 1.2 kilo (2.64 pounds) or less the duty is 13 per cent ad valorem plus fl.27.15 per 100 kilos ($7\frac{1}{4}$ cents per pound). Import duties are collected on the c.i.f. value of the merchandise. In addition there is a turnover tax of 4 per cent on the duty-paid value. This tax, however, is also charged on sales of domestic honey.

Under Netherlands Emergency Legislation, honey has now been designated as a "crisis product." This means that, according to the provisions of the Agricultural Crisis Act of 1933, the Netherlands Government may take such measures with respect to this product as are deemed necessary, including control of imports and exports, transport, manufacture, etc. No regulations under this Act have yet been promulgated, but all imports and exports of honey must now be effected through or with the consent of the Netherlands Central Flour Office at The Hague.

There are no restrictions on payments to foreign exporters for sales to Holland. The ordinary commercial invoices are all that are required by Netherlands Customs authorities.

EXPORTS

Exports of honey from Holland are small. In 1937 a total of 20 tons (fl.9,000) were shipped abroad, and in 1938 shipments amounted to 24 tons (fl.11,000). Of these latter, 9 tons went to Belgium, 8 to Netherlands India, 3 tons to the United Kingdom, and 2 tons to the United States. During the nine months January to September, 1939, total exports were 14 tons (fl.7,000), but information concerning destinations is not available.

STOCKS ON HAND

At time of writing there are practically no stocks of honey in first hands in the Netherlands. Confectioners, bakers, and factories have some supplies, but these are stocks to cover possible losses occasioned by irregular deliveries rather than surplus reserves.

REPRESENTATION AND TERMS

Foreign shippers customarily do business through a local importer broker. This firm may do some purchasing for its own account, although in most cases shipment will be made direct to their clients, on whom the documents will be drawn.

Formerly it was usual to attach a sight draft to the bill of lading, although other terms were arranged by mutual agreement. Now an irrevocable letter of credit established in the country of origin is often insisted upon by the shipper and perforce accepted by the buyer. War risk insurance is also for buyers' account.

TRADE OF PERU WITH GERMANY IN 1938

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(One Peruvian sol equals approximately \$0.20 Canadian; one kilo equals 2.2 pounds)

Lima, October 16, 1939.—During the past decade or more there has been a steady increase in the imports from Germany into all countries on the west coast of South America included in the territory of the Canadian Trade Commissioner at Lima (Peru, Ecuador, Chile, and Bolivia). This rapid advance in trading position was aided by a number of factors such as the use of depreciated currencies (askimarks, etc.), direct and frequent steamship services, long-term credits, catering to essential price markets, compensation agreements, and the negotiation of barter deals. There was also a steadily increasing influx of German nationals into the various business communities, to such an extent that they far outnumber those of other countries. These factors appeared to be part and parcel of a drive for South American markets, which to a great extent was successful.

The stoppage of this trade with the outbreak of hostilities in Europe has resulted in a large number of inquiries for supplies from alternative sources, and in the following analysis are shown, under various group headings, those particular products and items which have made up the principal imports from Germany into Peru. The total import trade of Peru in 1938 was valued at 260,158,735 soles. As a source of supply Germany ranked second to the United States, with goods to a value of 52,823,065 soles. Imports from the United States were valued at 89,227,426 soles, while the United Kingdom, which occupied third place, is credited with 26,345,199 soles. Imports from Canada were valued at 4,914,590 soles.

There is no exchange control in Peru. Interested Canadian exporters who are unfamiliar with Peruvian shipping requirements should apply to the Department of Trade and Commerce, Ottawa, for copy of a leaflet entitled "Documentation of Shipments to Peru," which contains much useful information on this and related subjects.

COTTONS

In 1938 the imports into Peru of cotton and cotton goods were valued at 18,008,039 soles, of which Germany's share amounted to 4,872,632 soles. Principal competing countries under this heading were the United Kingdom (5,096,476 soles), Japan (4,142,100 soles), Italy (1,609,015 soles), and the United States (965,985 soles). The following table shows the principal items under this heading supplied by Germany in 1938, together with total imports and that country's share of the import trade:—

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Cotton thread on reels, tubes, bobbins, or cones for sewing or tying parcels	188,400	875,497	10,526	55,148
Cotton thread, mercerized or not, for manufacturing tissues, of one or more strands, twisted or not	86,933	314,141	9,586	29,491
Cotton thread, mercerized, not specially mentioned	38,625	253,895	11,229	100,867
Tapes for footwear, for bordering, webbing, etc.	8,547	72,164	4,885	50,507
Tapes of velvet or plush, also tapes of all kinds	3,685	70,534	2,829	61,818
Tapes, with silk on cotton foundation	1,267	37,558	635	20,179
Lace of any width, bands and cuttings up to 50 cms. width, ornamented or embroidered with same material	3,688	116,152	1,169	46,590
Tissues, white or bleached, up to 40 threads and weighing over 200 grams per square metre	43,697	201,515	7,876	72,718
Tissues, up to 40 threads, weighing from 70 to 200 grams per square metre	97,657	427,274	4,233	25,042
Tissues, printed, up to 40 threads and weighing 70 to 200 grams per square metre	387,978	1,913,767	111,875	553,448

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Tissues, dyed in whole or in part, up to 40 threads and weighing more than 200 grams per square metre	451,753	1,971,920	165,663	777,051
Tissues, dyed in whole or in part, up to 40 threads, and weighing from 70 to 200 grams per square metre	634,769	3,460,567	102,380	570,020
Tissues, dyed, having more than 40 threads and weighing more than 70 grams per square metre	57,453	558,142	18,692	207,977
Special tissues, knitted, for curtains, bedspreads and other purposes	3,998	46,858	2,272	25,850
Special tissues, knitted, for clothing and underwear	3,247	21,479	3,110	20,840
Special tissues, plush and velvet of all kinds	30,282	216,137	4,263	45,632
Special tissues for upholstering, non-plushy, non-printed, cretonne, etc.	24,732	205,303	12,596	89,103
Passenterie of all kinds	7,209	133,129	4,922	93,365
Articles of knitted stuff, not specially mentioned ..	2,234	43,220	1,201	28,216
Bed blankets, with or without silk border	116,658	288,441	60,053	138,188
Stockings and socks	208,055	1,324,389	16,504	317,058
Stockings and socks, with mercerized ornaments to an extent exceeding 15 per cent, also those mercerized in the body of the tissue	66,689	1,366,426	37,522	1,029,904

WOOL, HAIR, AND FEATHERS

Peruvian imports under this heading in 1938 were valued at 7,430,958 soles. Germany's share was 2,042,939 soles, the United Kingdom being the principal supplier with S/3,428,831. Raw materials under this heading were valued at S/403,406; threads, S/1,243,304; fabrics and passanterie, S/4,607,494; and manufactures, S/1,176,754. The principal imports from Germany were as follows:—

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Wool, embroidering and for all kinds of knitted stuffs	81,855	667,556	28,786	261,685
Wool, for the manufacture of tissues in any form..	57,859	544,474	13,091	111,468
Tissues of Astrakan, looped tissue for ornament or for outer clothing, including pile fabrics, etc. . .	10,196	142,119	7,373	101,326
Tissues for interlining clothes, called plastic	16,839	144,057	7,588	80,805
Tissues, not specially mentioned, weighing up to 185 grams per square metre and up to 16 threads in warp and weft	19,643	321,778	8,869	162,127
Tissues as above but having over 16 threads	50,321	779,425	23,324	386,077
Tissues as above over 185 and up to 350 grams per square metre and up to 16 threads	8,636	176,582	3,142	54,865
Tissues as above, but with more than 16 threads . . .	59,573	1,415,172	11,606	216,196
Tissues, as above, over 350 grams and up to 16 threads	10,173	160,835	4,871	56,310
Tissues, as above, having over 16 threads	21,819	428,680	5,638	79,127
Articles of knitted stuff, without silk, not specially mentioned	6,646	205,157	3,243	105,662
Neckerchiefs, mufflers, ponchos, rugs, etc.	13,539	169,750	11,303	151,676
	Dozens		Dozens	
Hats, of hair, soft shape, with or without lining, sweat bands, border or ribbon of silk	1,866	308,161	163	22,119
	Kilos		Kilos	
Women's and children's clothing, of tissue, without silk, for outer wear, not specially mentioned..	2,287	94,475	1,172	48,813
Clothing of all kinds, for bathing, without silk, including those of knitted stuff	2,295	93,873	823	29,650

NATURAL AND ARTIFICIAL SILK

Imports into Peru of items under the above heading come chiefly from Germany, which in a total import trade valued at 4,693,561 soles in 1938 is credited with 1,384,416 soles. Threads accounted for 180,471 soles, fabrics and

passementerie for 482,098 soles, and manufactures for 721,847 soles. Details of imports in 1938 are as follows:—

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Silk yarn in cones or in large skeins, for the manufacture of stockings and tissues of all kinds. . .	438,643	2,148,829	29,979	163,218
Ribbons, without inferior materials	2,159	76,116	1,441	48,068
Fabrics, bleached, printed or dyed, weighing more than 30 grams per square metre.	2,959	125,508	826	36,499
Fabrics, as above, of artificial silk	13,742	322,346	8,779	211,209
Neckties of all kinds	1,486	141,608	257	21,292
Stockings and socks of artificial silk, with or without admixture of inferior material	3,881	252,859	3,205	225,095
Stockings and socks of natural silk, with or without admixture of inferior material	5,221	608,985	3,184	375,758

LEATHER GOODS

Total Peruvian imports of all kinds of leather goods in 1938 were valued at 2,133,312 soles, and imports from Germany were practically double those of the next principal supplying country, the United States, being valued at 841,046 soles. The principal items imported were as follows:—

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Hides or skins of all kinds, prepared, tanned, bleached, dyed or varnished, for any purpose. . .	38,932	1,207,047	16,557	523,323
Skins, tanned, other kinds	1,168	273,831	265	40,898
Portfolios, cigar and cigarette cases, purses, card cases and similar articles	3,095	148,749	2,287	113,596
Gloves, fine, with or without lining	1,228	138,686	810	91,190

METALS AND JEWELLERY

Imports under this heading are by far the most important in Peruvian import trade, reaching a value of 30,091,206 soles. Imports from the United States were valued at 11,409,019 soles, while those from Germany were worth 9,546,675 soles. This main group may be subdivided under five main headings: metals, rough and prepared, for industries, the import value of which in 1938 was 10,462,101 soles; steel and aluminium, 16,417,775 soles; manufactures of copper and its alloys, 2,607,662 soles; precious metals, in the rough and prepared for industrial use, 164,319 soles; and fine jewellery and precious stones, 439,349 soles. The items in which Germany shared substantially were:—

METALS, ROUGH AND PREPARED, FOR INDUSTRIES

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Steel and iron, drawn into sheets, plates and angular unperforated girders, also bars of any shape and dimension, including corrugated sheet metal. . .	17,550,309	4,441,300	500,901	148,575
Aluminium in sheets	89,611	200,709	63,315	140,483
Aluminium and tin foil, up to 5/100 mms. thickness, coloured or not, for wrapping foodstuffs	12,205	51,891	9,777	40,326
Copper, bronze and brass, in bars or sheets of any kind	114,298	163,344	40,084	58,304
Iron in sheets, tinned or galvanized with zinc, painted, plain or corrugated, also expanded sheets for floors	2,121,777	962,787	182,051	79,553
Tinplate, plain, neither painted nor varnished . .	5,547,354	3,026,130	1,622,162	868,434

MANUFACTURES OF STEEL, ALUMINIUM, TIN, IRON, LEAD, AND ZINC

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Furniture hardware	23,411	94,809	18,892	78,705
Needles of iron or steel, sewing, embroidering, etc., up to 7 cms. in length	4,200	104,777	3,334	64,202

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Wire of iron or steel, over $\frac{1}{2}$ mm. in diameter, galvanized or not, baling wire	2,464,831	935,943	828,920	301,597
Barbed wire	482,667	177,854	129,952	47,027
Pins, common, also glass, porcelain, safety and hair	25,530	68,059	22,948	53,737
Aluminium plate, toilet and kitchenware	20,464	104,309	10,632	50,737
Hygienic apparatus, closets, lavatories, etc., cast iron or enamelled, and parts	405,041	381,940	282,873	235,322
Articles of wrought iron	91,705	100,338	30,445	35,388
Articles of wrought iron, enamelled	640,000	810,958	389,375	518,765
Buckets, tinned or galvanized	97,591	76,312	78,534	58,292
Hinges	129,552	128,408	95,425	79,328
Buttons and hooks for clothing	21,995	69,378	15,690	45,953
Cables or ropes of iron or steel wire, galvanized or not, including pieces for splicing	616,166	588,602	51,739	49,323
Safes and safety doors	58,813	79,466	23,498	36,336
Padlocks of iron or steel, of all kinds, whether gal- vanized, painted, nickelled or not	57,305	144,816	55,431	128,121
Pipes and tubes, of cast iron for water supply and drainings, including connecting pieces	2,782,485	754,324	1,612,233	404,375
Pipes and tubes of other kinds, including connect- ing pieces	6,824,748	3,806,740	2,317,304	1,222,152
Locks of steel or iron, with or without parts of other metal	115,202	380,035	107,116	337,143
Drums of steel or iron, for use as receptacles, gal- vanized or not, also milk cans	148,457	178,906	10,259	15,233
Nails, large and small, up to 15 mms. long	105,391	85,847	73,385	61,758
Nails, large and small, over 15 mms. and up to 25 mms., for all purposes	73,319	43,882	45,610	27,367
Nails, large and small, over 25 mms. galvanized or not	1,259,135	439,218	425,192	148,888
Cooking stoves, iron, enamelled or not, for liquid fuel or gas, with or without coppered or nickelled parts, also ovens therefor	121,902	259,801	81,021	185,965
	Dozens		Dozens	
Spoons, large and small, ladles, skimmers and forks, for domestic use, whether tinned or galvanized or not	70,695	125,437	66,603	117,932
Pen knives	20,979	99,287	19,216	91,925
Knives, with handles of horn, aluminium, rubber, celluloid, semi-fine wood, white metal, nickelled iron or nickelled metal, not of one single piece	7,707	84,982	5,139	53,234
	Kilos		Kilos	
Sleepers for rail tracks	184,241	44,445	107,075	22,842
Stoves and heaters for dwelling houses	26,623	86,596	3,379	14,260
Hoop iron or steel, whether cut or not, also their fasteners, pins, joints, or rivets	264,683	156,054	92,456	69,124
Tinplate wares, not specially mentioned, whether tinned or plated or not	20,486	50,511	12,134	28,708
	Dozens		Dozens	
Blades for safety razors	89,876	71,137	42,747	17,037
	Kilos		Kilos	
Lamps, hanging or standing, with or without acces- sories	65,219	111,468	59,439	95,988
Building materials in the form of sheets, plates, bars and girders for structures and all kinds of framework	1,284,919	609,556	356,516	154,801
Building material in the form of balusters, capitals, columns, staircases, brackets, and other similar pieces not specially mentioned	146,327	174,594	48,416	46,000
Expanded metal, in plates	88,030	67,755	37,614	24,739
Bolts and nuts	330,837	264,114	139,929	88,534
Latches, catches and sash fasteners	42,260	90,159	36,566	66,518
Fencing posts, also posts of all kinds, reinforced or not	134,320	77,594	37,180	23,458
Receptacles for washing dishes and for other pur- poses	74,547	68,720	39,395	25,599
Rails and accessories therefor, including switches, signals and turntables	4,357,755	1,455,885	680,470	157,746
Tanks and silos, mounted or not	285,915	301,296	96,635	190,461
Wire netting, tinned or galvanized, whether painted or varnished or not, etc.	21,042	31,907	19,014	27,645
Wire netting with mesh of over 2 mms.	71,645	66,138	48,509	38,745
Scissors, not specially mentioned, nickelled or not..	10,763	81,220	10,030	74,531
Screws of all kinds	56,050	73,690	29,257	32,329

MANUFACTURES OF COPPER AND COPPER ALLOYS, ALSO MANUFACTURES OF NICKEL

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Oilers, door-knockers, rings, hinges, hooks, butt-hinges, furniture and house hardware, etc.	23,426	166,992	12,720	74,064
Wire up to $\frac{1}{2}$ mm. diameter	934	4,773	914	4,543
Wire over $\frac{1}{2}$ mm. diameter	108,764	204,576	6,921	12,052
Articles not specially mentioned, of copper or bronze	13,249	116,290	6,324	65,209
Articles of plated metal	1,857	39,194	1,264	27,578
Locks of all kinds	9,026	132,951	4,119	41,230
Nails and tacks	2,148	5,512	1,145	3,537
Crosses for rosaries, beads, spangles, etc., of all kinds	809	25,384	602	18,854
Spoons, ladles, forks, etc.	14,931	166,823	9,378	101,155
Spoons, etc., plated or gilded, or plated metal	857	35,488	365	20,138
Imitation jewellery, gilded, silvered or not	2,950	175,142	1,285	93,530
Lamps of all kinds, except electric	6,578	46,434	4,717	32,397
Taps for lavatories, baths and the like	10,454	58,872	5,353	29,132
Metallic passementerie	2,230	45,087	1,965	31,740
Clocks, not specially mentioned	25,235	191,704	20,722	140,847
Wire cloth	2,460	16,479	1,014	5,036
Metallic cloth for sanitary use	10,757	29,026	3,593	8,151
Furniture knobs, varnished or not	4,939	64,503	4,826	62,489
Tubes for industrial purposes with a wall-thickness of 1 mm. or more	67,266	144,969	15,751	20,521

PRECIOUS METALS, JEWELLERY, PRECIOUS STONES

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Silver, manufactured, all kinds	368	103,251	229	64,293
Jewellery and precious stones	Units 157	165,990	Units 157	161,177

STONES, EARTH, CERAMIC WARE, AND GLASSWARE

The bulk of the imports of products included under the above headings were supplied by Germany in 1938. Of total imports valued at 7,555,630 soles, Germany's share amounted to 3,104,603 soles. The United States, Japan, and the United Kingdom followed in the order named. Products substantially supplied from Germany were:—

	Total Imports		Imports from Germany	
	Number	Soles	Number	Soles
Telescopes and prismatic binoculars	269	46,670	264	45,818
Sanitaryware of earthenware and component parts	595,874	747,605	361,034	376,620
Flagstones of glazed clay	719,641	358,749	551,188	281,737
Bottles of common glass	905,766	157,583	818,711	132,706
Bottles, thermos and the like, and parts	27,201	73,470	20,183	58,441
Buttons for underwear	6,519	14,876	1,264	6,938
Ornamental boxes and articles	41,100	138,861	23,984	78,107
Coke	3,093,884	197,018	2,800,500	171,254
Coal	10,048,256	276,350	1,665,216	58,227
Portland cement	40,604,810	832,970	18,691,759	385,034
Glassware, not specified, blown, ornamented, etc.	341,857	387,864	136,930	179,098
Water filters of all kinds	7,418	16,506	2,170	5,470
Flasks or small jars, stoppered or not	501,758	275,651	267,681	162,226
Earthenware, white or coloured	1,288,577	953,322	469,774	285,423
Magnesite or impure magnesia carbonate	1,333,201	279,588	512,274	116,618
Stones, circular, of all kinds, for sharpening purposes	19,466	18,707	10,605	7,010
Porcelainware, painted, coloured, gilded	32,353	133,205	21,369	103,536
Fullers earth	1,737,231	132,324	96,694	34,660
Infusorial earth for filtering purposes	249,052	48,861	70,064	26,050
Chalk, in powder form, for industrial purposes.	707,070	35,064	662,716	33,306
Lamp chimneys, of crystal or glass	31,023	30,169	16,609	15,098

WOOD, REEDS, VEGETABLE FIBRES, AND STRAW

Imports from Germany under the above heading are not important. Ordinary softwood lumber (Oregon pine and Douglas fir) accounts for about 80 per cent of the total, amounting in 1938 to 9,885,935 soles. The principal item

imported from Germany was plywood, of which she obtained almost 50 per cent of the business, 150,119 soles out of a total import of 325,206 soles, the remainder having been supplied principally by Poland, the United States, and Scandinavian countries. Supplies from Canada have also been received during the present year.

BARKS, COLOURING MATERIALS, NON-EDIBLE OILS, BLACKINGS, AND GUMS

Total Peruvian import trade in the above group was valued at 15,286,942 soles. Principal supplies originated in the United States (7,158,670 soles), those from Germany followed (2,121,343 soles), with imports from Canada ranking third (1,408,176 soles). Details of principal German imports follow:—

BARKS AND COLOURING MATERIALS

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Whitelead, chrome greens, King's yellow, Cassel yellow and mountain blue	34,970	31,062	17,498	19,119
Indigo, natural or synthetic	32,310	162,500	19,624	86,725
Redlead, massicot, iron, oxide, ochres, umber earths, Sienna earths, lamp or pitch black, and other colouring earths	261,216	121,422	122,363	62,063
Zinc white and lithopone	150,044	59,232	140,790	54,328
Colourings, harmless, for foodstuffs and liqueurs . .	2,024	29,219	1,363	19,597
Colourings derived from coal-tar	171,947	1,444,885	107,156	1,099,469
Colourings derived from sulphur	44,268	166,764	23,640	116,457
Paints, enamel	71,445	157,222	16,200	32,672
Paints, prepared with oil, including floor paints . .	771,235	762,392	47,779	42,181
Paints, anti-corrosive, for ships' bottoms, etc. . . .	118,941	163,783	13,081	10,777
Paints, gilding or silvering in liquid or powder . . .	3,762	12,567	3,269	10,380
Water colours of pigments for manufacturing leather	21,753	47,312	8,767	23,720
Special preparations for dressing or finishing off leather	34,117	34,537	15,250	20,119

NON-EDIBLE OILS, VARNISH, AND BLACKINGS

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Oils, flotation, for working ores	112,900	147,722	17,029	28,438
Oils and fats, saponified and sulphonated, of all kinds	89,238	84,643	30,188	35,155
Mineral wax	5,621	13,862	1,235	4,267

GUMS

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Inner tubes of rubber or elastic gums, for bicycles, motor-cars and lorries	63,538	237,654	2,245	11,255
Tires for bicycles, motor cars and lorries	880,562	2,846,881	33,863	105,466
Rubber in plain sheets	31,629	105,736	5,644	16,860
Rubber in thread, moulded ware and other articles not specially mentioned	47,483	269,766	12,689	93,586
Gums, pitch and resin	448,740	130,796	21,894	18,203
Gums for other industrial uses	24,347	28,522	6,116	9,863
Rubber for bed sheetings and other made-up articles	7,262	14,665	6,513	12,646
Water-hose, unwired, up to 8 cms., interior diameter	32,064	82,833	6,923	17,323

STATIONERY, PAPER, AND CARDBOARD

Germany continued in 1938 to be the principal supplier of items in the above group, imports from that country being valued at 3,221,649 soles out of a total of 9,915,251 soles in 1938. Imports from the United States were valued at

3,140,963 soles, with those from Sweden reaching 1,064,248 soles. The principal products involved were:—

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Leaf calendars, with engravings, also on stands	4,847	20,536	1,191	6,630
Leaf calendars, for advertising purposes	23,955	88,265	8,888	32,465
Inking pads	1,869	10,851	1,263	8,464
Rubber erasers	8,526	26,502	3,194	14,190
Paper fasteners of all kinds	4,224	13,347	1,737	5,814
Files and portfolios of cardboard	27,111	59,423	18,612	29,639
Typewriter ribbons	3,472	72,678	1,474	31,044
Dozens				
Pencils, automatic	2,439	95,366	956	27,522
Kilos				
Pencils, ordinary	27,423	155,514	18,122	119,839
Pencils, slate or coloured, or composition	25,903	74,030	17,703	61,468
Penholders of polished wood	7,861	32,599	4,577	20,587
Machines, typewriting and spare parts	107,041	1,346,927	20,298	197,691
Machines, calculating and spare parts	13,220	339,712	2,828	61,138
Mechanical woodpulp for manufacturing paper	1,014,754	307,482	49,879	19,735
Pen nibs of metal	3,427	50,625	2,718	29,583
Rulers, squares and other drawing articles of wood	8,112	22,942	5,509	18,039
Ink, black, printing	122,094	66,322	8,724	15,198
Ink, coloured, lithographers and for marking fabrics	30,185	85,604	21,999	63,487
Ink, liquid, coloured for writing	75,642	60,496	26,831	28,658

PAPER, CARDBOARD, AND MANUFACTURES THEREOF

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Manufactures, not specially mentioned of compressed paper or paper pulp, etc.	14,522	46,089	11,360	30,729
Advertisements, catalogues, almanacs, etc.	150,695	333,430	29,310	68,557
Boxes of covered cardboard or paper covered, etc.	35,365	47,519	6,693	14,320
Cardboard, common, non-satiny and uncovered	190,900	47,000	85,659	26,817
Cardboard, covered with paper on one side only, also corrugated cardboard	62,303	30,126	46,278	23,372
Cardboard, covered with paper on both sides, also glossy cardboard, or cardboard covered with glossy paper	111,577	51,379	87,388	39,300
Pictures for intuitive teaching, etc.	4,063	25,720	2,521	17,125
Prints, chromos, engravings, lithographs, oleographs, unframed	6,437	85,659	2,604	32,951
Labels or safety bands with or without inscriptions	8,167	74,768	1,828	31,125
Printed books and pamphlets of all kinds	74,560	261,545	11,438	44,046
Paper, parchment, sulphurized or paraffined, white or coloured	121,598	143,772	71,256	86,424
Paper, albumenized, sensitized for photography, including such paper in the form of post cards and transparent tracing paper	29,094	183,775	16,836	107,710
Paper, single coloured, of any kind not specially mentioned	154,039	102,466	76,799	50,328
Paper on reels	270,518	91,263	57,492	28,318
Paper, tissue and the like	24,176	42,353	20,846	34,705
Paper, for bookbinders, enamelled or varnished paper, etc.	33,355	41,809	28,608	33,803
Paper, of common pulp, non-satiny, tar or kraft paper and similar papers, etc.	629,842	305,076	92,430	50,615
Paper, on reels	1,802,877	706,681	131,202	59,051
Paper, carbon	8,504	69,112	4,803	35,096
Paper, yellowish white, for books, prints or other typographic work	1,221,875	695,356	766,569	436,684
Newsprint	5,401,606	1,290,762	2,763,775	602,559
Blotting paper	20,550	17,785	4,373	3,530
Wallpaper	105,906	113,263	18,788	18,748
Gummed paper	4,154	9,116	1,632	3,579
Packing bags, reinforced or not	105,893	66,141	57,290	27,208
Envelopes of all kinds	17,957	32,851	9,567	19,651
Cards of all kinds, with or without inscriptions	1,258	20,370	1,019	16,315

SHIPS' STORES, INSTRUMENTS AND TOOLS, MACHINES AND VEHICLES

Goods to the value of 64,899,788 soles were imported under these headings. The United States was the principal supplier, largely due to sales of automobiles and accessories and mining equipment, with 39,302,254 soles, and was

followed by Germany with 12,815,073 soles. Imports from Great Britain were valued at 6,525,886 soles. The principal items in which Germany shared were:—

SHIPS' STORES

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Cordage, over 9 mms. diameter	722,090	638,014	14,827	15,483
Tools, instruments and other articles, not specially mentioned, exclusively for use on ships	134,240	385,179	17,573	29,582

INSTRUMENTS AND TOOLS

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Ploughs, shares and accessories	309,653	283,060	144,858	71,542
Brushes of animal or vegetable material	11,945	121,871	4,617	37,267
Hunting knives and machetes	17,874	39,325	12,798	27,406
Packings of all kinds	182,131	427,438	16,962	21,593
Portable forges	15,567	30,576	2,622	7,185
Instruments and tools, not specially mentioned, of all kinds, for arts and crafts	422,787	1,244,171	230,856	551,106
Instruments and tools, not specially mentioned and all kinds of tools for agriculture, zootechnics and mining	1,400,882	1,911,212	641,258	498,215
Filtering sacks of flannel or felt, and tissues for filters, etc.	55,095	308,923	18,163	95,868
Measures of tissue also measuring rules of wood or metal	6,861	49,511	3,994	30,630
Measures, other kinds	2,020	36,889	1,743	24,689
Sadirons.	139,403	85,583	123,083	70,300
Saws of all kinds, including spare blades	22,718	109,804	12,104	36,971
Soldering lamps of all kinds	3,750	35,004	1,296	12,070
Borers of all kinds	12,085	33,424	6,607	14,841
Clippers and shears of all kinds	4,423	13,651	3,958	11,793

MACHINERY AND VEHICLES

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Aircraft, including their accessories	111,244	2,674,017	5,803	99,080
Railcars, locomotives, and locomobiles	289,633	859,519	92,649	142,339
Balances, hanging, spring or beam, with or without metal pans	9,563	21,979	8,958	18,845
Balances, automatic, of all kinds	10,724	47,842	8,058	34,832
Fire engines, apparatus and accessories	40,772	131,667	17,190	62,404
Wheelbarrows of wood or iron of all kinds	204,788	152,069	54,280	36,731
Motor lorries and trailers	4,558,063	7,705,254	64,369	154,251
Motor omnibuses and ambulances, also chassis	715,401	2,280,595	566,343	1,949,080
Motor vehicles weighing less than 2,000 kilos	2,333,855	6,230,553	202,225	544,513
Goods wagons for railways, and parts	1,185,606	1,044,740	184,037	98,563
Railway and tramway passenger carriages and parts	238,455	573,445	35,979	109,399
Vessels, rigged or not, of all kinds	61,627	315,310	28,000	226,080
Transmission belts and ropes	100,015	592,506	14,859	62,597
Machinery for agriculture, cattle breeding and mining	3,270,535	6,907,612	213,723	384,307
For industries connected with above, and for shipping	1,385,147	2,158,775	525,172	587,157
Machinery for other industries generally	4,814,478	10,739,790	2,445,799	3,937,493
Sewing machines and parts	309,972	1,053,137	69,127	191,119
Printing machinery and accessories	129,638	486,363	52,808	193,352
Portable hand-driven machinery	24,263	51,053	16,006	29,287
Meters, gas, water and alcohol, etc.	97,532	554,889	94,400	522,698
Motor cycles and sidecars	29,887	204,922	9,925	35,787
Repair parts for automobiles, omnibuses, trucks, not specially mentioned	812,747	2,576,339	108,405	414,227
Machinery repairs of all kinds	3,634,032	8,114,522	836,322	1,093,418
Valves of all kinds with internal diameter not over 7 cms.	79,763	332,272	17,965	54,267

ARMS, AMMUNITION, AND EXPLOSIVES

Total imports under the above were valued at 3,775,565 soles, and supplies from Germany were worth 1,016,715 soles. The United States was the chief supplier with 2,142,713 soles. Principal items credited to Germany were:—

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Primers, mining	23,138	303,985	7,654	99,842
Blasting fuses of all kinds	125,220	387,095	44,348	125,062
Ammunition, sporting, or shot	79,768	51,366	55,537	35,336
Powder, sporting	23,032	62,683	7,001	26,191
Dynamite and other explosives of the same kind . .	1,951,940	2,440,410	567,592	676,331

ELECTRIC ARTICLES AND APPARATUS

Total imports of the above goods were valued at 10,812,587 soles. The United States was the principal source of supply (5,112,410 soles), followed by Germany (2,150,235 soles). The principal items of which Germany was a major supplier were:—

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Electric accessories, such as cut-outs, intercepters, plug boxes, fuses, connections, sockets, etc. . . .	118,437	694,439	60,978	223,416
Batteries weighing up to 30 kilograms, and parts . .	273,235	434,093	23,088	35,773
Batteries weighing over 30 kilograms	38,693	104,734	6,749	14,550
Insulators and tubes of earthenware, porcelain, glass or other insulating material	64,036	84,237	31,824	25,816
Insulators for high tension lines	47,430	74,858	13,075	15,438
Wire, cord or cables, covered, etc., up to 3 mms. diameter	163,853	404,626	54,616	108,151
Wire, coated with lead	48,377	47,392	34,960	31,520
Wire, copper, up to 3 mms. diameter, covered, etc.	243,483	448,171	117,900	208,991
Wire, copper, coated with lead	77,363	112,598	58,371	81,031
Wire, insulated or not, lead, coated or armoured, etc.	536,034	486,246	26,984	27,026
Wire, covered, flexible, etc., of any diameter, covered with cotton or fabric of any diameter	17,539	59,503	8,722	32,354
Apparatus, transmitting and receiving, telegraphic and wireless	209,471	2,155,937	25,405	239,355
Apparatus, telephonic and accessories	20,893	299,646	1,576	23,581
Apparatus, illuminating, chandeliers, brackets, etc. .	32,437	288,979	18,521	101,094
Apparatus, of steel, tin, iron, spelter, lead, zinc, wood, etc.,	28,391	117,167	16,645	75,940
Apparatus, heating, household, weighing not more than 10 kilograms each	23,190	93,072	11,083	41,193
Apparatus, as above, heavier, including those for industrial purposes	279,334	408,627	255,039	321,160
Apparatus, cleansing, such as floor waxers, vacuum cleaners, etc., for domestic use	7,418	60,993	5,069	40,074
Articles of all kinds, not specially mentioned . . .	26,074	254,014	5,685	32,097
Dynamos of all kinds, and spare parts	21,108	82,230	9,190	28,850
Galvanometers, ammeters, voltmeters, wattmeters, and all indicating apparatus	6,000	155,903	1,976	33,895
Incandescent lamps up to 50 watts	Dozens	Dozens	Dozens	Dozens
Incandescent lamps, over 50 and up to 200 watts . .	68,761	313,472	13,978	82,795
	15,075	210,005	3,172	41,177
Meters, electric light, for domestic use	Kilos	Kilos	Kilos	Kilos
Switchboards for dynamos, and motors, and for central electric power and telephone stations . .	11,496	102,232	6,324	52,607
Current transformers over 1 kilowatt capacity and rectifiers over 3 amperes in capacity	70,343	536,197	9,247	34,533
	205,798	964,310	40,249	66,294

TOYS AND SPORTS ARTICLES

Total imports of toys and sports goods were valued at 2,600,253 soles. The value of imports from the United States was 875,531 soles, and those from Germany were valued at 757,515 soles.

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Apparatus and articles for physical culture use, as well as articles for body protection in games . .	10,600	134,760	1,907	20,615
Automobiles, bicycles, tricycles, and similar articles for children	66,036	104,417	21,362	36,964
Bicycles	145,354	381,921	53,407	138,635
Toys of all kinds, of any materials, without spring or motor	207,375	520,295	97,871	293,954
Toys, with spring or motor	12,558	58,673	6,575	36,076
Dolls, undressed, also stuffed animal figures . . .	27,398	102,214	21,083	79,502
Dolls, dressed, and animal figures unstuffed . . .	6,010	42,561	4,962	32,998
Playing cards of linen or thick cards	379	23,980	280	21,068

CHEMICAL, PHARMACEUTICAL, AND BIOLOGICAL PRODUCTS

Imports from Germany dominated this group of Peruvian imports, which were valued at 16,064,044 soles. Germany's share of this trade reached 6,090,932 soles, while imports from the United States, which ranked second among supplying countries, were valued at 5,285,590 soles. The remainder of the trade was shared by France and the United Kingdom. Items of particular importance in the trade with Germany were:—

CHEMICALS

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Acetic acid, denatured, for industrial use	40,624	29,270	31,876	23,614
Acids, arsenious, boric, hydrochloric, or muriatic, carbolic, formic, phosphoric, nitric and pure sulphuric	85,591	55,472	37,742	23,447
Acids, citric and tartaric, industrial	42,616	81,134	9,346	19,718
Acid, sulphuric, commercial, 66° Beaumé	1,190,196	162,785	653,844	92,617
Camphor, pure, mineral or synthetic	8,522	28,766	6,817	20,855
Ammonium carbonate	60,273	40,330	42,555	29,555
Calcium oxide	1,798,830	131,145	1,181,896	84,760
Calcium carbide, for industrial use, also cyanide	606,963	168,273	304,025	81,218
Chromium mordant, for leather, also chrome alum	150,680	99,751	143,405	94,643
Plasters of all kinds	13,568	91,112	3,471	22,182
Essences, natural or synthetic	696	57,132	283	22,400
Essences for the manufacture of liqueurs, aerated waters, etc., and medical purposes	13,285	276,500	2,966	52,589
Essences, not specially mentioned, of all kinds, also mixed essences	5,622	142,087	1,190	33,770
Ether, not specially mentioned, not being a basis for perfume	61,311	126,196	40,975	80,433
Extracts, not specially mentioned, also compound extracts	6,072	90,738	1,654	25,291
Insecticides and fungicides, such as arsenate of lime, arsenate of lead, and others, whether in solids, liquids, powders or pastes	1,999,900	1,013,612	153,954	131,075
Silver and its salts	402	23,812	341	20,039
Potassium bicarbonate, carbonate, etc.	29,886	33,716	24,381	25,732
Industrial products for treating tissues and similar products	43,260	153,116	25,093	114,590
Organic products, natural or synthetic, not specially mentioned	11,972	200,037	9,247	169,391
Quinine salts and preparations thereof	7,495	457,615	3,049	267,375
Salvarsan in any form	2,355	194,594	1,510	145,829
Sodium sulphide for baths and industrial use	306,820	71,264	145,716	34,598
Sodium cyanide for industrial use (mining)	585,246	645,750	332,564	385,919
Sodium hydrosulphite (Blankit) for industrial use	43,290	47,487	38,225	45,024
Zinc sulphate, impure, for industrial use	246,173	60,628	163,645	24,696

PHARMACEUTICAL SPECIALTIES

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Patent medicines in the form of oils, emulsions or in suspension, etc.	66,928	255,718	1,027	45,395
Patent medicines in ampoules, for injections	6,425	531,487	4,068	411,867
Patent medicines in other containers for the same purpose	639	33,812	536	26,452
Patent medicines in ampoules, to be taken by mouth or externally	11,609	394,707	3,291	186,839
Patent medicines in the form of pills, capsules, etc., containing up to 100 pieces	6,145	319,965	1,457	105,218
The same in the form of caches, powders or packets, etc.	4,570	87,030	664	20,339
The same in liquid form up to 10 cms. as drops	1,114	56,886	653	33,744
The same in the form of tablets, pastilles, etc., in receptacles up to 20 pieces	8,165	670,665	6,047	587,703
The same in receptacles containing up to 100 pieces	6,426	277,325	1,266	103,399
Patent medicines, granulated or in powder, up to 300 grammes	26,601	217,879	2,440	46,374
The same in receptacles up to 500 grammes	4,772	144,239	2,400	120,942
The same in the form of ointments and pomades up to 100 grammes	12,312	195,637	1,428	44,611
The same in the form of liquids for external use up to 500 ccs.	16,849	94,508	3,566	39,843
The same in the form of syrups, elixirs, wines, up to 250 cc.	49,701	293,958	11,850	57,966
Specialties for the treatment of dysentery	744	75,642	363	49,176

BIOLOGICAL PRODUCTS

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Opothherapic products	4,620	315,836	1,588	146,750
Serums and vaccines	8,052	442,365	1,955	253,650

PHARMACEUTICAL ARTICLES

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Bulbs, containing medicinal substances	9,274	107,252	6,552	85,880
Bulbs, glass, empty	16,858	85,141	15,786	82,661
Apparatus and accessories of crystal, glass, porcelain or quartz	35,189	181,031	18,972	84,521
Sterilizers of all kinds	5,723	47,710	3,800	32,643
Rubber gloves	2,227	48,466	356	10,562
Surgical instruments	11,467	282,988	4,582	131,614
Irrigators of all kinds	7,606	23,626	7,087	21,291
Hypodermic syringes and accessories	1,780	42,903	1,564	34,121
Electromagnetic machines and apparatus for medical use	13,521	276,181	10,396	201,512
Clinical thermometers	Dozens 1,966	22,633	Dozens 1,822	20,171

MISCELLANEOUS ARTICLES

	Total Imports		Imports from Germany	
	Kilos	Soles	Kilos	Soles
Agricultural fertilizers	12,906,411	1,833,505	3,770,943	613,704
Manufactured articles of rubber, celluloid, galalith, or composition	23,352	287,907	5,967	115,550
Buttons of horn, bone or composition, rubber and other materials	17,903	200,957	4,297	79,927
Spectacles, frames, rims, or parts	822	60,307	231	40,005
Oilcloth for table covers	68,600	173,074	20,118	47,549
Scientific instruments and parts	20,538	367,834	10,411	165,573
Photographic apparatus and accessories	7,369	310,425	4,527	231,177
Toothpastes, creams, powders and soaps	96,586	549,405	20,334	80,953
Toilet oils, toothwashes, facepowder, ointments, or lotions	67,355	331,237	18,052	70,962
Films, photographic, of all kinds, unexposed	23,523	296,672	16,712	208,022

MEXICAN PAPER INDUSTRY

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, October 18, 1939.—Paper was first manufactured in Mexico shortly after the country gained its independence. Prior to that time Indians employed a species of paper rudimentarily made from the leaves of the century plant, or maguey, for the preservation of their documents, some of which may still be seen in museums.

In 1822 the paper industry may be said to have been properly inaugurated in Puebla. This was accomplished despite many difficulties. The demand was naturally small, and the scarcity of raw material, which consisted only of rags, handicapped the new venture. About 1845 another mill was established in Jalisco. In 1852 the Loreto mill was opened, and by 1884 seven mills were operating in the republic—two in the State of Jalisco, one in Veracruz, and four in the Federal District. Towards the end of last century the San Rafael y Anexas Paper Mill was founded, and it has continued to be the best equipped and largest mill in the country. None of these mills produced newsprint.

By 1925 the Mexican paper industry represented an investment estimated at more than 15,000,000 pesos, of which 7,000,000 were invested by the San Rafael Company. The industry employed at that time over 1,800 operatives and had an annual production of 21,000,000 kilograms of paper. By 1928 the output was nearly sufficient to meet the demands of the Mexican market.

In 1937 nine mills were in operation, with production valued at more than 18,000,000 pesos, placing the paper industry thirteenth among the leading industries of Mexico. The more important mills are located either in the State of Mexico or in the Federal District; mills situated in outlying districts have only a small production and lack the required technical resources. The Mexican paper industry thus appears at the present time to be well developed, except for the manufacture of newsprint.

The following table shows the quantities and values of Mexican production of paper in 1937 by main classifications:—

	Kilos	Pesos
Total .....	.....	18,033,753
Wrapping paper, packing paper and bag paper	20,813,221	6,751,725
Printing paper	17,648,175	7,273,558
Writing paper	4,740,225	2,211,487
Sundries .....	.....	1,796,983

IMPORTS

Despite the large volume of different kinds of paper produced, imports are still necessary. Kraft and straw papers are imported per annum to the extent of over seven million kilograms with an approximate value of 1·5 million pesos. Imports of newsprint per annum amount to more than 16·2 million kilograms with a value of 2·3 million pesos and imports of cigarette paper to 677,000 kilograms valued at 1·2 million pesos. In addition to these many other special types of paper are imported.

The industry has to purchase abroad much of its basic raw materials, as they are not produced in the country or else in insufficient quantities. Among the materials imported are cellulose, straw-pulp and wood-pulp, and certain chemicals such as silicate of soda, anilines, "rosing size," and small quantities of kaolin. Rosin, alum, paraffin wax, calcined soda, soda ash, starch, sulphur, and some other substances may be obtained locally; but inasmuch as some of the imported raw materials are used in large quantities and their cost is high—imports of pulp alone amount to 27·7 million kilograms with a value of 3·8 million pesos—the cost of paper made in Mexico tends to be expensive. In addition it is generally necessary to import the machinery and repair parts required to manufacture the paper, and the cost of these is also high. Some mills, notably the San Rafael, however, are equipped with complete shops, where repair parts and some of the small and simple machines are made.

EXPORTS

Under these circumstances, Mexico is not a factor in the world markets as an exporter of paper or paper products, although she does export small quantities, which in the last few years have shown a tendency to increase. The following table shows the quantities and values of exports of paper products in 1936 and 1937:—

	1936		1937	
	Kilos	Pesos	Kilos	Pesos
Total	52,554	23,749	112,759	97,135
United States	46,087	11,541	84,521	33,272
Guatemala	4,193	4,588	6,873	18,048
Panama	8	54	473	2,463
El Salvador	510	1,265	1,194	2,075
Cuba	208	256	2,928	15,970
Colombia	24	29	5,417	5,611
Peru	36	246	578	2,521
Venezuela	14	239	2,439	9,238
Dutch West Indies	4	15	4,032	2,194
Germany	55	125	915	3,766
France	15	15	1,487	803
Other countries	1,400	5,376	1,902	1,174

It is admitted by those in a position to know that Mexico cannot hope to assume a prominent place in the international paper market, because of her small production and the handicaps under which the industry functions as compared with that of other countries producing paper on a much larger scale and at lower costs.

IMPORT MONOPOLY

To solve the problem of meeting the requirements of Mexican graphic printing and publishing industries, the development of which is intimately connected with the education of the Mexican people, and in order to lessen the cost of paper, which may now be considered an article of prime necessity, the Executive issued a decree under date August 21, 1935, creating an enterprise called "Paper Importing and Producing Co., Ltd." (PIPSA), constituted with funds supplied for the most part by the Federal Government and given the sole right to import paper. In addition, this organization was subsidized to an amount equivalent to the import duties on the different kinds of paper it imports into Mexico. It continues to operate under the management and guidance of the Department of National Economy, and since it holds a monopoly on imports, the publishing organizations are bound to support its activities. In addition to the importation of printing paper, "Pipsa" is authorized to acquire machinery and exploit such mills as may be necessary for the manufacture and preparation of all kinds of paper, to carry out investigations connected with cellulose and vegetable fibres used in the manufacture of paper in Mexico, and to acquire and exploit forests and other operations connected with the manufacture of paper. The technical department of this organization has already carried out investigations for the purpose of locating supplies of raw material and waterfalls to generate the necessary power for mills. It is stated that, as a result of these investigations, it has been demonstrated that raw material abounds in Mexico for the purpose of making paper, from common newsprint to the finest writing papers.

TRADE OF NICARAGUA IN 1938

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

(All values are in United States dollars)

Panama City, October 18, 1939.—The report of the Receiver-General of Customs for the calendar year 1938 reveals that progress towards economic recovery, which began during 1937, continued throughout 1938. Among the factors which contributed to this result were the success of the Exchange Control Commission in keeping the total value of imports within the limits of the total value of exports and the stabilization of the Nicaraguan currency throughout 1938. The public debit of Nicaragua declined during the year, importers were able in most cases to obtain exchange to pay for necessary imports, arrangements were completed for the liquidation of frozen debts, service on certain government bond issues was resumed, and an extensive program of public works was completed. These achievements are the more remarkable when it is recalled that in the case of two of the main items of export trade, coffee and bananas, prices were low and crops poor in 1938.

The total value of exports from Nicaragua during the calendar year 1938 was \$5,884,154 as compared with \$7,038,342 for 1937 and \$4,648,186 for 1936. Imports were valued at \$5,118,579 as compared with \$5,620,871 for 1937 and \$5,579,620 for 1936. The calendar year 1936 closed with an unfavourable balance of trade of \$931,434, but the balance of trade for 1937 was favourable to Nicaragua to the extent of \$1,417,471 and continued favourable during 1938, the final favourable balance for that year being \$765,575.

EXPORTS

The United States and Germany purchased the bulk of Nicaraguan exports during 1938, their purchases accounting for 82 per cent of the total value of all Nicaraguan exports. The following table shows the total value of Nicaraguan exports by principal countries of destination for the calendar years 1936, 1937, and 1938:—

Exports from Nicaragua by Countries

	1936	1937	1938
Total	\$4,648,186	\$7,038,342	\$5,884,154
United States	2,504,601	3,897,449	3,960,706
Germany	743,303	1,503,561	865,729
United Kingdom	83,743	52,933	135,729
Japan	135,881	334,872	119,638
France	605,748	581,657	188,886
Italy	31,110	45,210	20,585

The United States purchased all of Nicaragua's exports of bananas and gold during 1938. Other products exported to both the United States and Germany were coffee, raw cotton, timber, hides, and sugar. These seven commodities account for more than 90 per cent of the total value of Nicaraguan exports.

The following table shows the values of principal exports from Nicaragua for the calendar years 1936, 1937, and 1938:—

Exports from Nicaragua by Commodities

	1936	1937	1938
Coffee	\$2,114,751	\$3,078,360	\$2,030,570
Gold	807,704	848,808	1,550,520
Bananas	770,112	985,257	777,000
Timber	97,588	432,078	381,125
Raw cotton	133,887	552,618	262,098
Hides	101,674	230,296	146,893
Sugar	83,656	132,840	128,506
Other commodities	538,814	778,085	607,442
Totals	\$4,648,186	\$7,038,342	\$5,884,154

During 1938 the total value of exports of coffee declined as compared with 1937, due largely to the lower world prices for that commodity. Banana production also declined, due to plant disease. The stimulus given to the mining industry by the Government was reflected during 1938 in greatly increased gold production. Among the less important other Nicaraguan exports are included ipecac, cattle, silver, cacao, cottonseed, rubber, and balsam.

IMPORTS

Total imports into Nicaragua during 1938 were valued at \$5,118,579, a decrease of \$502,292 as compared with 1937. This decrease reflected the smaller volume of world trade transacted during 1938, probably as a result of the uneasy international situation, but there can be no doubt that the Exchange Control Commission of Nicaragua were successful in their objectives: (1) to limit imports to necessities and (2) to keep the total value of import trade within the limits of the total value of exports. The following table shows the imports into Nicaragua by countries of origin for the calendar years 1936, 1937, and 1938:—

Imports into Nicaragua by Countries

	1936	1937	1938
United States	\$2,579,813	\$3,044,606	\$3,057,952
United Kingdom	696,805	476,873	422,467
Germany	1,336,568	857,055	512,934
Japan	143,325	243,073	80,292
France	185,996	126,854	106,894
Italy	41,933	29,019	291,690
Other countries	595,180	833,391	646,350
	\$5,579,620	\$5,620,871	\$5,118,579

During 1938 the United States obtained approximately 60 per cent of the total value of Nicaraguan export trade, Germany being credited with 10 per cent, the United Kingdom with 8 per cent, and Italy with 6 per cent. Compared with previous years the decline in imports from Germany and the increase in imports from Italy are noteworthy. The following table lists the principal commodities imported into Nicaragua, according to value, during the calendar years 1936, 1937, and 1938:—

Imports into Nicaragua by Commodities

	1936	1937	1938
Oils	\$ 227,496	\$ 361,666	\$ 208,612
Cotton manufactures	1,374,996	1,249,403	1,225,986
Cement	59,727	44,274	38,024
Gasoline	123,964	130,892	109,259
Petroleum	88,123	109,831	79,760
Iron and steel manufactures	573,787	515,004	416,199
Rubber manufactures	54,824	60,339	49,837
Wool manufactures	61,345	40,017	28,077
Liquors, beers, wines and spirits	63,674	80,049	37,557
Machinery	438,574	664,281	790,340
Paper manufactures	159,906	138,882	144,652
Perfumery and cosmetics	79,199	51,528	35,762
Leather and manufactures	144,466	101,127	87,670
Paints, all kinds	56,038	54,348	39,874
Rice	8,410	35,126	2,473
Meats	25,937	23,823	9,656
Fruits	13,879	16,742	11,969
Flour	224,768	227,050	138,211
Milk	16,993	230,835	13,373
Vegetables	34,568	30,695	17,204
Malt	12,682	10,704	6,968
Fish	14,863	13,403	8,388
Wheat	56,595	57,373	4,378
Chemicals, drugs, etc.	416,501	383,105	275,005
Silk	94,879	127,529	79,179
Vehicles	59,816	147,539	88,131
Glass, porcelain	66,598	59,785	39,731

Canada is not shown as participating in Nicaraguan trade either as an importer or an exporter. This is due primarily to the lack of direct steamship facilities between these countries, but it is likely that some Canadian products do reach Nicaragua and that some Nicaraguan products reach Canada, this trade in each case being credited in Nicaraguan statistics to the United States.

SECOND OFFICIAL ESTIMATE OF THE ARGENTINE GRAIN ACREAGE

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes that the Argentine Ministry of Agriculture issued under date of October 20 their second estimate of the acreages seeded to the 1939-40 crop. This estimate, with the first estimate of September 15 and the average figures for the last five years within parentheses, is as follows: wheat, 17,784,000 acres (18,525,000 and 18,114,486 acres); linseed, 7,657,000 acres (7,410,000 and 7,145,710 acres); oats, 3,458,000 acres (3,458,000 and 3,249,532 acres); barley, 2,223,000 acres (2,173,600 and 2,104,242 acres); rye, 2,173,600 acres (2,148,900 and 2,104,242 acres); birdseed, 123,500 acres (123,500 and 113,916 acres).

The final official estimate places the 1939 corn crop at only 58.5 per cent of the last five-year average as against the previous poor crop of 53.3 per cent in 1938.

BUSINESS CONDITIONS IN THAILAND (SIAM)

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(One tical is worth 43 cents Canadian at current exchange)

Singapore, September 1, 1939.—The economy of Thailand (Siam) is directly dependent on the rice crop. The livelihood of over 80 per cent of the country's population of 14,000,000 hinges on the crop return, while the surplus of the crop above individual needs provides domestic purchasing power and in the aggregate creates the largest individual item in the nation's export trade. The fact that exports for the first half of 1939 are 15 per cent better than those for the similar period of last year means improved well-being for the country and its people.

More significant have been the steps taken this year, under a policy aimed at greater self-sufficiency, toward extended government ownership and control of industry, with supplementary control of private capital within the country. The fiscal year 2482 (Buddhist Era), commencing April 1, 1939, has been marked by the extent of the legislation to aid in creating that economic and political independence which growing nationalism demands. The country has been named "Thailand," literally "free land." A new loan policy substitutes domestic financing for financing in the London market. A new profits tax on industry has been introduced, and new income tax measures with much decreased minimum exemptions, which will distribute the increased costs of government more widely. Import duties have been revised to increase the range of specific duties and the rates have been adjusted to aid agriculture and the agricultural worker, foster the growth of domestic industries, and penalize the importation of foreign goods for consumption.

Foreign capital, seriously disturbed by these measures, has already shown a readiness to withdraw from the country in protest against the policy. The largest tobacco-manufacturing firm in the Far East has chosen to close its factory—and three important cigarette factories have followed suit—rather than accept taxation under the new Tobacco Tax Law which would increase retail selling prices by 50 per cent. Two foreign petroleum products corporations, after many years in the country, have withdrawn as from July 19 rather than subscribe to the conditions of the Petroleum Products Act which requires, *inter alia*, that six months' reserves—i.e., half of the year's import quota—be maintained within the country.

FOREIGN TRADE

Total trade of Thailand during the first five months of the year was valued at 145,050,000 ticals (Can.\$62,350,000), an increase of 12 per cent over the total of 120,430,000 ticals for the corresponding period of last year. Exports increased by 10,000,000 ticals to 83,550,000 ticals, while imports increased even more substantially by 14,500,000 ticals to 61,500,000 ticals.

The favourable balance of trade, although 4,500,000 ticals less than during the first five months of 1938, remained at the very substantial figure of 22,000,000 ticals.

GOVERNMENT FINANCES

Final income and expenditure statements for the year B.E. 2481 ending March 31, 1939, are not available, but estimates place revenue at 117,000,000 ticals and expenditure at 114,000,000 ticals. The budget for B.E. 2482 provides for expenditures totalling 124,060,413 ticals and revenue amounting to 124,060,735 ticals. Capital expenditure in the new budget is placed at 22,883,364 ticals, out of which 13,880,000 ticals will come from reserve and 9,000,000 ticals

from the loan fund. Financial legislation provides for domestic financing of three loans with an aggregate value of 60,000,000 ticals. Proceeds are earmarked for social work, municipal improvements, extended road building, and for further extension of government activity in industry. Such loans when floated will represent a substantial addition to the country's national debt.

Currency in circulation on May 31 amounted to 151,132,500 ticals as against 146,632,000 on the same day in 1938. Reserves totalled 168,250,000 ticals, comprising 128,184,000 ticals in sterling securities and 43,372,000 ticals, being the bullion value of the silver coinage (since converted to bullion).

Bank liabilities on May 31 totalled 69,554,000 ticals, or an increase of about 8 per cent during the twelve months. Gross assets, in the sum of 79,200,000 ticals, exceeded liabilities by about 12 per cent.

NOTES ON EXPORT COMMODITIES

RICE

The rice crop has been the best since 1936. Slightly lower prices have been offset by greater acreage and higher yields per acre. Crop exports through the port of Bangkok have increased by 15 per cent to 809,639 metric tons valued at 46,585,000 ticals. Further declines in purchases by Japan and China have been counterbalanced by increased demands from British Malaya. Shipments to Europe have been materially higher and account for most of the increase in export tonnage.

RUBBER

As a late subscriber to the International Rubber Regulation Convention, Thailand receives guaranteed minimum tonnage of 41,000 tons of rubber, which has allowed her practically unrestricted production. In the first five months of 1938 such uncontrolled production resulted in the export of 13,090 tons, whereas the total this year has been increased to 19,367 tons. Improved world prices have likewise aided in creating exports valued at 15,267,300 ticals, or an increase of approximately 35 per cent over the similar period of last year.

TIN

As a "free tin" country Thailand's subscription to the International Tin Convention was achieved only by the allotment of the generous basic tonnage of 11,000 tons per annum, which has left her free to operate at about domestic capacity in spite of changing quotas. Exports have increased slightly to 5,185 tons since the first of this year, but advancing prices have assisted in making the value of shipments substantially higher at some 15,267,000 ticals as against 11,172,000 ticals for the corresponding period of 1938.

COMMUNICATIONS

Communications by air continue to improve. The K.N.I.L.M. service from Netherlands India has been extended to include Thailand, continued through French Indo-China to connect with Air-France, and to Hongkong, where it connects with Pan-American Airways and the Chinese National Lines.

Domestic services of the Aerial Transport Company of Thailand have been profitable, according to the annual report of the company, which operates eleven air fields and two marine stations.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

PUBLIC HEALTH REGULATIONS: BACON

The Canadian Trade Commissioner in London writes that the Minister of Health has made an amendment to the Public Health (Preservatives, etc., in Food) Regulations, 1925 to 1927, which control *inter alia* the use of preservatives and colouring matters in foods sold in the United Kingdom.

The object of the amended regulations is to provide (a) that the direct addition of sodium or potassium nitrite to bacon, ham, or cooked pickled meat shall not be prohibited, and (b) that the total amount of nitrites which may be contained in cooked pickled meat other than bacon and ham shall not exceed in all two hundred parts per million, including both nitrites derived from any added sodium or potassium nitrate (saltpetre) and nitrites which have been added directly.

IMPORTS OF EMPIRE HONEY PERMITTED

With reference to the notice in *Commercial Intelligence Journal* No. 1859 (September 16, 1939), pages 521-6, respecting the control of United Kingdom import trade, the Canadian Trade Commissioner in London cables that the Import Licensing Department have announced an open general licence effective November 14, allowing imports of honey, without individual licences, if consigned from any part of the British Empire (except Palestine and Transjordan). The cable also states that no licences will be issued until further notice for honey imported from foreign countries.

Ireland

IMPORT QUOTA ON HOSIERY OF SILK OR ARTIFICIAL SILK

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by an order of the Government of Eire dated October 24, 1939, a further quota for the importation into Ireland of hosiery made wholly or partly of silk or artificial silk has been fixed at 240,000 pairs for the period December 1, 1939, to May 31, 1940, as against 360,000 pairs for the previous six-months' period.

Jamaica

IMPORT LICENCE REQUIREMENTS

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes that pursuant to an order issued by the competent authorities and effective from and after October 17, 1939, no person is permitted to enter into final arrangements to purchase abroad, or import into the island of Jamaica:

- (a) From any country whatsoever any article intended for human consumption, including foodstuffs, alcoholic and non-alcoholic beverages; fodder or feedstuffs for animals or poultry; soap, tallow, bags, sacks, box-shooks or other containers for island produce, tobacco, cigars and cigarettes;
- (b) Any article not included in (a) hereof if such article is intended to be imported from Newfoundland, Canada, or any country outside the British Empire; except under the authority of a licence issued by the competent authority, provided that this order shall not apply to an article imported into the island of Jamaica by parcel post if such article shall not exceed the sum of five pounds (£5) in value and shall not be otherwise restricted or prohibited.

Up to the time of writing, licences have been freely issued under this order.

TARIFF CHANGES

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, reports that effective October 24, 1939, considerable changes have been made in the rates of duty on goods imported into Jamaica, in order to raise more revenue for war and other purposes. Items of chief interest to Canada include:—

	Former Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Ale, beer, stout, porter, cider and perry				
per gal.	2s. 4d.	3s. 4d.	3s. 3d.	4s. 4d.
Above, if imported for military purposes				
per gal.	Free	Free	9d.	4s.
Whisky, in bottles, not exceeding 80 per cent proof spirits	32s.	42s. 11d.	32s.	40s.
Brandy and gin, in bottles, not exceeding 80 per cent proof spirits	32s.	39s. 7d.	32s.	40s.
Bitters, cordials and liqueurs, including flavouring extracts, containing 40 per cent or over proof spirits	37s. 8d.	45s. 10d.	40s.	50s.
Cartridges	3s.	4s.	6s.	8s.
Hosiery, other than silk, artificial silk and cotton	15%	20%	10%	10% plus 9d. per pr.
Cement, conforming to Jamaica government standards	1s.	1s. 4d.	12s. per ton	24s. per ton
per 400 lbs.	15%	20%	20%	30%
Cocoa, manufactured	15%	17½%	7½%	10%
Electrical apparatus for generating electricity	15%	20%	20%	30%
Unenumerated manufactured cereals	15%	25%	20%	30%
Hardware	15%	30%	20%	30%
Poultry and game, fresh	15%	20%	20%	30%
Patent medicines	15%	20%	20%	30%
Writing paper	15%	20%	20%	30%
Artificial silk piece-goods	15%	20%	20%	30% or, if higher, 4d. per sq. yd.
Woollen piece-goods	15%	20%	20%	30% or, if higher, 2s. per sq. yd.
Silk piece-goods	15%	30%	20%	30%
Laundry soap in bars	3s. 6d.	4s. 8d.	5s. 6d.	7s. 4d.
Other soap	15%	20%	20%	30%
Napery, tablecloths and other textile squares except piece-goods and apparel	15%	20%	20%	30% plus 12s. per doz.
Jams, jellies and preserved fruit	15%	30%	25%	40%
Tinned vegetables	15%	20%	20%	30%
Barbed wire	Free	Free	1s.	1s. 4d.
Insulin	15%	20%	Free	Free
Wood preservatives	15%	20%	Free	Free
Machine belting	15%	20%	Free	5%
Unenumerated articles	15%	20%	20%	30%

The following articles, formerly classified as "unenumerated goods," are now specified by name in the tariff and remain dutiable at 15 per cent ad valorem British preferential tariff and 20 per cent ad valorem general tariff:—

Asphalt other than pitch; baking powder, sweet biscuits; brooms and brushes; carriages and parts, other than motor vehicles and railway rolling stock; cattle and poultry feeds other than bran and middlings; confectionery; string and twine; eggs; electrical apparatus other than for generating electricity; fibre manufactures; cinematograph films; fresh fruit other than apples; unspecified glassware; grease; hemp manufactures; unspecified manufactures of rubber; scientific, surgical, and musical instruments; leather; certain kinds of machinery; molasses and syrup; oilcloth and linoleum; paint; unspecified paper; perfumery; photographic apparatus; resin; saddlery and harness; stationery other than writing paper; fresh vegetables except potatoes; typewriters; fireproof wallboard; wax; and wooden furniture.

Canadian products are accorded the British preferential tariff.

INCREASE IN PACKAGE TAX

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes under date November 8 that for many years a tax of one shilling has been levied (with certain exceptions) on every package imported into Jamaica, irrespective of the country of origin and in addition to the customs duties. In the estimates of Government revenue for the current fiscal year, passed some months ago, the anticipated yield of this tax appears as £85,000. Recently, in order to raise a further £70,000 of revenue for war and other special purposes, the tax has been increased by a law assented to by the Governor of Jamaica on November 1, 1939. The principal changes of interest to Canada are shown below:—

	Old Rates	New Rates
Bricks, tiles and slates, roofing material in pieces not exceeding 1 square foot each, per 1,000.. . . .	2s. 6d.	5s.
Earthenware pipes, bends and elbows.. . . .	1s. per pkg.	2s. per cwt.
Ironware, pewter, copper, lead, tin, and brass of every description, per cwt.. . . .	1s.	2s.
Lumber, on every 1,000 feet or less quantity, superficial measurement..	2s. 6d.	5s.
Shingles of any kind, on every 1,000 or less number.. . . .	1s.	2s.
Stoves, iron pots and other hollow-ware, not being packed in packages per cwt.. . . .	1s.	2s.
Tiles, slates, and roofing material in pieces exceeding 1 square foot, per cwt.	1s.	2s.
On every other package (i.e., of unspecified articles) not exceeding 4 cwt.. . . .	1s.	2s.
On every other package, as above, exceeding 4 cwt., the first 4 cwt..	1s.	2s.
And for every cwt. or part in excess thereof.. . . .	..	6d.

In the list of exemptions from package tax the following new items appear:—

- (1) Materials and appliances for the treatment and control of plant diseases.
- (2) Railway and tramway materials. The former used to be subject to the ordinary rate of 1s. per package; the latter, if rails, fish plates, dog spikes and fish bolts, were exempt, but other kinds paid the 1s. rate.

The Package Tax Law is an annual enactment, and the one now in effect will expire on March 31 next.

Grenada

IMPORTS SUBJECTED TO LICENCE

Import restriction regulations gazetted in Grenada on September 29 and 30 announced that certain goods may not be imported from Canada, Newfoundland, or a foreign country, except that where it can be proved the import thereof into Grenada is essential, the Colonial Treasurer in his discretion may grant a licence for such importation. The goods listed in this regard include the following:—

Aerated waters; beer and ale; cider; travelling bags; biscuits; blacking and polishes; blue; bricks and tiles; buckets, pails; butter; candles; motor vehicles; bicycles; carriages and wagons; cement; chemicals (except ammonia); cigarettes; cigars and manufactured tobacco; clocks; coal and coke; prepared cocoa; coffee, raw and roasted; confectionery; cordage and twine; cork; cutlery; earthenware and pottery; explosives; flavouring extracts; fruits, nuts; glue; oatmeal, corn, cornmeal, barley, rice; haberdashery; hats; hemp and manufactures; agricultural implements and tools; jams; jewellery; jute manufactures; lard substitutes; leather and manufactures; lime; linen piece-goods and manufactures; electric lighting machinery, marine engines, sewing machines and parts, water and sewerage machinery; matches; iron and steel; musical instruments; illuminating, lubricating fuel, paint, road oils; playing cards; perfumery; paints, colours, putty; pickles and condiments; pictures; platedware; saddlery and harness; fine salt; silk manufactures; soap; spirits; starch; stationery; stoneware; sugar; syrup; tea; toys and games; tires and tubes; umbrellas; fresh vegetables, except potatoes; vinegar; watches; wax; wood, manufactured; wool, manufactured.

These prohibitions are not to apply to any goods the subject of a contract made before the date of the proclamation nor to any goods shipped at a port in

Canada, Newfoundland, or any foreign country before the date of the proclamation.

An additional list enumerated the following articles which it was stated can normally be obtained only from Canada, Newfoundland, or a foreign country, and for which licences may be more liberally granted:—

Beef, canned or pickled; butter substitute; cattle food; cheese; fish, canned, dried, pickled; wheaten flour; hay; pitch pine, white pine; milk, condensed; oats; oil, olive; onions; paper manufactures; pork, pickled; potatoes; shingles; unmanufactured tobacco.

United States

ADDITIONAL INFORMATION ON INVOICES OF LUMBER

United States Treasury Decision No. 50006, published in weekly Treasury Decisions of November 9, 1939, and effective thirty days thereafter, prescribes that invoices of lumber of Northern white pine (*pinus strobus*), Norway pine (*pinus resinosa*), and Western white spruce, for which exemption is claimed from the import tax of \$1.50 per 1,000 feet, board measure, are required to set forth that the lumber is not Engelmann spruce lumber, in addition to all other information required by law and regulation.

TENDERS INVITED

Australia

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes that tenders are being invited by the Australian Postmaster-General's Department for outside distributing wire.

Interested Canadian manufacturers may obtain specifications and tender forms from the Australian Trade Commissioner, New York. Tenders are returnable to the Deputy Director, Posts and Telegraph, Melbourne, Australia, and close December 12, 1939.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Denmark

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Oslo, October 21, 1939.—Foreign exchange required in Denmark for payment of imported goods can only be obtained providing the importer is in possession of an import licence. Hitherto import licences have been required for most imports and have been especially difficult to obtain for ordinary imports from Canada, due to Canada's favourable balance of trade.

Owing to the depletions of exchange reserves since the outbreak of war, regulations have been instituted whereby payment for goods in advance can only be effected after a permit has been obtained from the authorities (Valuta Central). The transfer of funds out of Denmark is not possible without a permit from the National Bank.

Finland

Up to the outbreak of hostilities no exchange restrictions existed in Finland and, due to ample currency reserves, there was no difficulty in obtaining the

necessary foreign exchange for the payment of imports. Since September 18 however, emergency measures have been applied whereby all imports are subject to licence, this licence being required before exchange is granted for payment.

These measures, which are said to be temporary, are due to the necessity of husbanding foreign exchange reserves to have them available for the more urgent necessities. Imports are thus to be restricted and luxuries barred. (No list of these is available.) Exchange is available, however, for legitimate imports—considered necessary by the authorities—for which import licences have been granted.

Travel abroad is discouraged, currency allowances being limited to 500 Finnish marks a day (approximately \$10) for necessary travel in Scandinavia. Funds may not be transferred out of Finland without a permit from the Bank of Finland.

When normal exports are resumed, these import and exchange restrictions are expected to be lifted.

Norway

Up to the outbreak of hostilities no legislative foreign exchange regulations or restrictions existed in Norway. A voluntary arrangement, however, was in force whereby the banks sold foreign exchange only to their own customers who notified their requirements beforehand to their respective banks. A committee appointed by Norges Bank (the State Bank of Norway) and the private and savings banks were empowered to exercise a certain degree of control over this voluntary arrangement. All demands for foreign exchange were met without delay.

Due to hostilities, the Foreign Exchange Committee of Norwegian Banks agreed to put into force temporary measures to ensure primarily the meeting of the most vital payments. The committee announced that, as from September 4, all foreign exchange transactions must pass through Norwegian banks. Foreign exchange is now sold solely to cover payments due for the import of goods, necessary travelling expenses, and other bona fide claims. Exchange for the purchase of foreign securities or for investments abroad is not allowed without agreement with the banks. Applications for the purchase of foreign exchange must be made on special forms, on which information proving the necessity of the granting of the request must be given.

Exchange for payment of normal import requirements is made available to importers after a permit has been obtained from the banking authorities, on production of documentary evidence, such as invoice, proving the necessity of exchange.

Sweden

The foreign exchange market in Sweden has remained unchanged since the outbreak of hostilities in so far as payment for imported goods is concerned.

There is no special procedure which Swedish importers have to follow in order to obtain foreign exchange, except with regard to the few countries with which Sweden has clearing arrangements. Canada is not one of these.

Foreign exchange is still readily available for payment of imported goods.

Japan

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, October 19, 1939.—Rigid control is exercised in Japan over all foreign exchange transactions, the permission of the Minister of Finance being required for the purchase of foreign exchange other than for small amounts.

From a commercial viewpoint, permission is necessary to remit amounts in excess of 100 yen per month when such amounts are required to pay for goods.

Permits are confined almost entirely to items which are classed as necessities and urgently required in Japan. Consequently the import trade has been considerably restricted. It should be remembered that the amount of 100 yen per month is the aggregate amount which may be remitted for goods, and not the amount for each class of commodity. It is highly desirable that Canadian exporters should make sure prior to making a shipment that the necessary exchange permits have been issued, or at least authorized, as otherwise there may be delays in receiving payment.

The purchase of exchange for purposes other than payment for goods is also strictly controlled. For travelling expenses not more than 500 yen or its equivalent may be taken out of Japan without a permit. Similarly not more than 500 yen per year may be sent to persons resident or travelling abroad without the permission of the Ministry of Finance. For certain specified purposes, such as marine insurance, 1,000 yen may be remitted without a permit. For general purposes, which are not specified in the regulations, the limit of "free" exchange is 100 yen per year.

Nicaragua

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, October 30, 1939.—The new exchange control regulations published in official decree of September 23, 1939, provide for reversion to the import permit system. The new regulations to be administered by the Exchange Control Commission appear to be more stringent than those formerly in force. At the same time, it is implied that once an import permit has been granted by the commission the necessary foreign exchange to effect payment will be available for remittance fairly promptly.

Nicaraguan importers must obtain the prior authority of the Exchange Control Commission to import merchandise from abroad and when applying for such permits must supply the following:—

- (1) Three (3) copies of the order showing a complete list of the merchandise in question and the price of each item together with the total value c.i.f. Nicaraguan port.
- (2) The name and location of the foreign firm with which the order is placed.

If the approval of the Exchange Control Commission is given, one copy of the order bearing the visa of approval will be filed by the Exchange Control Commission and the other two (2) authenticated and approved order forms will be returned to the Nicaraguan importer. The latter should forward one to the foreign exporter for presentation by him to a Nicaraguan consul, since consular documents will not be completed without it.

All orders for foreign merchandise totalling more than U.S.\$200 in value must be paid for in advance by an irrevocable letter of credit or an equivalent deposit in local currency acceptable to the National Bank of Nicaragua. The Exchange Control Commission is required to withhold approval of applications for import permits unless an assurance is received from the National Bank of Nicaragua that adequate covering foreign exchange to effect payment is available.

Under this new system it would appear that the risk of delays in receiving remittances from Nicaragua covering exports to that country has been diminished and in cases where import permits bearing the approval of the Exchange Control Commission of Nicaragua are provided by reliable Nicaraguan importers, Canadian exporters may reasonably expect to receive prompt payment.

BUSINESS CONDITIONS IN THAILAND (SIAM)

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(One tical is worth 43 cents Canadian at current exchange)

Singapore, September 1, 1939.—The economy of Thailand (Siam) is directly dependent on the rice crop. The livelihood of over 80 per cent of the country's population of 14,000,000 hinges on the crop return, while the surplus of the crop above individual needs provides domestic purchasing power and in the aggregate creates the largest individual item in the nation's export trade. The fact that exports for the first half of 1939 are 15 per cent better than those for the similar period of last year means improved well-being for the country and its people.

More significant have been the steps taken this year, under a policy aimed at greater self-sufficiency, toward extended government ownership and control of industry, with supplementary control of private capital within the country. The fiscal year 2482 (Buddhist Era), commencing April 1, 1939, has been marked by the extent of the legislation to aid in creating that economic and political independence which growing nationalism demands. The country has been named "Thailand," literally "free land." A new loan policy substitutes domestic financing for financing in the London market. A new profits tax on industry has been introduced, and new income tax measures with much decreased minimum exemptions, which will distribute the increased costs of government more widely. Import duties have been revised to increase the range of specific duties and the rates have been adjusted to aid agriculture and the agricultural worker, foster the growth of domestic industries, and penalize the importation of foreign goods for consumption.

Foreign capital, seriously disturbed by these measures, has already shown a readiness to withdraw from the country in protest against the policy. The largest tobacco-manufacturing firm in the Far East has chosen to close its factory—and three important cigarette factories have followed suit—rather than accept taxation under the new Tobacco Tax Law which would increase retail selling prices by 50 per cent. Two foreign petroleum products corporations, after many years in the country, have withdrawn as from July 19 rather than subscribe to the conditions of the Petroleum Products Act which requires, *inter alia*, that six months' reserves—i.e., half of the year's import quota—be maintained within the country.

FOREIGN TRADE

Total trade of Thailand during the first five months of the year was valued at 145,050,000 ticals (Can.\$62,350,000), an increase of 12 per cent over the total of 120,430,000 ticals for the corresponding period of last year. Exports increased by 10,000,000 ticals to 83,550,000 ticals, while imports increased even more substantially by 14,500,000 ticals to 61,500,000 ticals.

The favourable balance of trade, although 4,500,000 ticals less than during the first five months of 1938, remained at the very substantial figure of 22,000,000 ticals.

GOVERNMENT FINANCES

Final income and expenditure statements for the year B.E. 2481 ending March 31, 1939, are not available, but estimates place revenue at 117,000,000 ticals and expenditure at 114,000,000 ticals. The budget for B.E. 2482 provides for expenditures totalling 124,060,413 ticals and revenue amounting to 124,060,735 ticals. Capital expenditure in the new budget is placed at 22,883,364 ticals, out of which 13,880,000 ticals will come from reserve and 9,000,000 ticals

from the loan fund. Financial legislation provides for domestic financing of three loans with an aggregate value of 60,000,000 ticals. Proceeds are earmarked for social work, municipal improvements, extended road building, and for further extension of government activity in industry. Such loans when floated will represent a substantial addition to the country's national debt.

Currency in circulation on May 31 amounted to 151,132,500 ticals as against 146,632,000 on the same day in 1938. Reserves totalled 168,250,000 ticals, comprising 128,184,000 ticals in sterling securities and 43,372,000 ticals, being the bullion value of the silver coinage (since converted to bullion).

Bank liabilities on May 31 totalled 69,554,000 ticals, or an increase of about 8 per cent during the twelve months. Gross assets, in the sum of 79,200,000 ticals, exceeded liabilities by about 12 per cent.

NOTES ON EXPORT COMMODITIES

RICE

The rice crop has been the best since 1936. Slightly lower prices have been offset by greater acreage and higher yields per acre. Crop exports through the port of Bangkok have increased by 15 per cent to 809,639 metric tons valued at 46,585,000 ticals. Further declines in purchases by Japan and China have been counterbalanced by increased demands from British Malaya. Shipments to Europe have been materially higher and account for most of the increase in export tonnage.

RUBBER

As a late subscriber to the International Rubber Regulation Convention, Thailand receives guaranteed minimum tonnage of 41,000 tons of rubber, which has allowed her practically unrestricted production. In the first five months of 1938 such uncontrolled production resulted in the export of 13,090 tons, whereas the total this year has been increased to 19,367 tons. Improved world prices have likewise aided in creating exports valued at 15,267,300 ticals, or an increase of approximately 35 per cent over the similar period of last year.

TIN

As a "free tin" country Thailand's subscription to the International Tin Convention was achieved only by the allotment of the generous basic tonnage of 11,000 tons per annum, which has left her free to operate at about domestic capacity in spite of changing quotas. Exports have increased slightly to 5,185 tons since the first of this year, but advancing prices have assisted in making the value of shipments substantially higher at some 15,267,000 ticals as against 11,172,000 ticals for the corresponding period of 1938.

COMMUNICATIONS

Communications by air continue to improve. The K.N.I.L.M. service from Netherlands India has been extended to include Thailand, continued through French Indo-China to connect with Air-France, and to Hongkong, where it connects with Pan-American Airways and the Chinese National Lines.

Domestic services of the Aerial Transport Company of Thailand have been profitable, according to the annual report of the company, which operates eleven air fields and two marine stations.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

PUBLIC HEALTH REGULATIONS: BACON

The Canadian Trade Commissioner in London writes that the Minister of Health has made an amendment to the Public Health (Preservatives, etc., in Food) Regulations, 1925 to 1927, which control *inter alia* the use of preservatives and colouring matters in foods sold in the United Kingdom.

The object of the amended regulations is to provide (a) that the direct addition of sodium or potassium nitrite to bacon, ham, or cooked pickled meat shall not be prohibited, and (b) that the total amount of nitrites which may be contained in cooked pickled meat other than bacon and ham shall not exceed in all two hundred parts per million, including both nitrites derived from any added sodium or potassium nitrate (saltpetre) and nitrites which have been added directly.

IMPORTS OF EMPIRE HONEY PERMITTED

With reference to the notice in *Commercial Intelligence Journal* No. 1859 (September 16, 1939), pages 521-6, respecting the control of United Kingdom import trade, the Canadian Trade Commissioner in London cables that the Import Licensing Department have announced an open general licence effective November 14, allowing imports of honey, without individual licences, if consigned from any part of the British Empire (except Palestine and Transjordan). The cable also states that no licences will be issued until further notice for honey imported from foreign countries.

Ireland

IMPORT QUOTA ON HOSIERY OF SILK OR ARTIFICIAL SILK

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by an order of the Government of Eire dated October 24, 1939, a further quota for the importation into Ireland of hosiery made wholly or partly of silk or artificial silk has been fixed at 240,000 pairs for the period December 1, 1939, to May 31, 1940, as against 360,000 pairs for the previous six-months' period.

Jamaica

IMPORT LICENCE REQUIREMENTS

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes that pursuant to an order issued by the competent authorities and effective from and after October 17, 1939, no person is permitted to enter into final arrangements to purchase abroad, or import into the island of Jamaica:

- (a) From any country whatsoever any article intended for human consumption, including foodstuffs, alcoholic and non-alcoholic beverages; fodder or feedstuffs for animals or poultry; soap, tallow, bags, sacks, box-shooks or other containers for island produce, tobacco, cigars and cigarettes;
- (b) Any article not included in (a) hereof if such article is intended to be imported from Newfoundland, Canada, or any country outside the British Empire; except under the authority of a licence issued by the competent authority, provided that this order shall not apply to an article imported into the island of Jamaica by parcel post if such article shall not exceed the sum of five pounds (£5) in value and shall not be otherwise restricted or prohibited.

Up to the time of writing, licences have been freely issued under this order.

TARIFF CHANGES

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, reports that effective October 24, 1939, considerable changes have been made in the rates of duty on goods imported into Jamaica, in order to raise more revenue for war and other purposes. Items of chief interest to Canada include:—

	Former Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Ale, beer, stout, porter, cider and perry				
per gal.	2s. 4d.	3s. 4d.	3s. 3d.	4s. 4d.
Above, if imported for military purposes				
per gal.	Free	Free	9d.	4s.
Whisky, in bottles, not exceeding 80 per cent proof spirits	32s.	42s. 11d.	32s.	40s.
Brandy and gin, in bottles, not exceeding 80 per cent proof spirits	32s.	39s. 7d.	32s.	40s.
Bitters, cordials and liqueurs, including flavouring extracts, containing 40 per cent or over proof spirits	37s. 8d.	45s. 10d.	40s.	50s.
Cartridges per 100	3s.	4s.	6s.	8s.
Hosiery, other than silk, artificial silk and cotton	15%	20%	10%	10% plus 9d. per pr.
Cement, conforming to Jamaica government standards	1s. per 400 lbs.	1s. 4d. per 400 lbs.	12s. per ton	24s. per ton
Cocoa, manufactured	15%	20%	20%	30%
Electrical apparatus for generating electricity	15%	17½%	7½%	10%
Unenumerated manufactured cereals	15%	20%	20%	30%
Hardware	15%	25%	20%	30%
Poultry and game, fresh	15%	30%	20%	30%
Patent medicines	15%	20%	20%	30%
Writing paper	15%	20%	20%	30%
Artificial silk piece-goods	15%	20%	20%	30% or, if higher, 4d. per sq. yd.
Woollen piece-goods	15%	20%	20%	30% or, if higher, 2s. per sq. yd.
Silk piece-goods	15%	30%	20%	30%
Laundry soap in bars per 100 lbs.	3s. 6d.	4s. 8d.	5s. 6d.	7s. 4d.
Other soap	15%	20%	20%	30%
Napery, tablecloths and other textile squares except piece-goods and apparel	15%	20%	20%	30% plus 12s. per doz.
Jams, jellies and preserved fruit	15%	30%	25%	40%
Tinned vegetables	15%	20%	20%	30%
Barbed wire per cwt.	Free	Free	1s.	1s. 4d.
Insulin	15%	20%	Free	Free
Wood preservatives	15%	20%	Free	Free
Machine belting	15%	20%	Free	5%
Unenumerated articles	15%	20%	20%	30%

The following articles, formerly classified as "unenumerated goods," are now specified by name in the tariff and remain dutiable at 15 per cent ad valorem British preferential tariff and 20 per cent ad valorem general tariff:—

Asphalt other than pitch; baking powder, sweet biscuits; brooms and brushes; carriages and parts, other than motor vehicles and railway rolling stock; cattle and poultry feeds other than bran and middlings; confectionery; string and twine; eggs; electrical apparatus other than for generating electricity; fibre manufactures; cinematograph films; fresh fruit other than apples; unspecified glassware; grease; hemp manufactures; unspecified manufactures of rubber; scientific, surgical, and musical instruments; leather; certain kinds of machinery; molasses and syrup; oilcloth and linoleum; paint; unspecified paper; perfumery; photographic apparatus; resin; saddlery and harness; stationery other than writing paper; fresh vegetables except potatoes; typewriters; fireproof wallboard; wax; and wooden furniture.

Canadian products are accorded the British preferential tariff.

INCREASE IN PACKAGE TAX

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes under date November 8 that for many years a tax of one shilling has been levied (with certain exceptions) on every package imported into Jamaica, irrespective of the country of origin and in addition to the customs duties. In the estimates of Government revenue for the current fiscal year, passed some months ago, the anticipated yield of this tax appears as £85,000. Recently, in order to raise a further £70,000 of revenue for war and other special purposes, the tax has been increased by a law assented to by the Governor of Jamaica on November 1, 1939. The principal changes of interest to Canada are shown below:—

	Old Rates	New Rates
Bricks, tiles and slates, roofing material in pieces not exceeding 1 square foot each, per 1,000.	2s. 6d.	5s.
Earthenware pipes, bends and elbows.	1s. per pkg.	2s. per cwt.
Ironware, pewter, copper, lead, tin, and brass of every description, per cwt.	1s.	2s.
Lumber, on every 1,000 feet or less quantity, superficial measurement. .	2s. 6d.	5s.
Shingles of any kind, on every 1,000 or less number.	1s.	2s.
Stoves, iron pots and other hollow-ware, not being packed in packages per cwt.	1s.	2s.
Tiles, slates, and roofing material in pieces exceeding 1 square foot, per cwt.	1s.	2s.
On every other package (i.e., of unspecified articles) not exceeding 4 cwts.	1s.	2s.
On every other package, as above, exceeding 4 cwts., the first 4 cwt. .	1s.	2s.
And for every cwt. or part in excess thereof. . . . .	..	6d.

In the list of exemptions from package tax the following new items appear:—

(1) Materials and appliances for the treatment and control of plant diseases.

(2) Railway and tramway materials. The former used to be subject to the ordinary rate of 1s. per package; the latter, if rails, fish plates, dog spikes and fish bolts, were exempt, but other kinds paid the 1s. rate.

The Package Tax Law is an annual enactment, and the one now in effect will expire on March 31 next.

Grenada

IMPORTS SUBJECTED TO LICENCE

Import restriction regulations gazetted in Grenada on September 29 and 30 announced that certain goods may not be imported from Canada, Newfoundland, or a foreign country, except that where it can be proved the import thereof into Grenada is essential, the Colonial Treasurer in his discretion may grant a licence for such importation. The goods listed in this regard include the following:—

Aerated waters; beer and ale; cider; travelling bags; biscuits; blacking and polishes; blue; bricks and tiles; buckets, pails; butter; candles; motor vehicles; bicycles; carriages and wagons; cement; chemicals (except ammonia); cigarettes; cigars and manufactured tobacco; clocks; coal and coke; prepared cocoa; coffee, raw and roasted; confectionery; cordage and twine; cork; cutlery; earthenware and pottery; explosives; flavouring extracts; fruits, nuts; glue; oatmeal, corn, cornmeal, barley, rice; haberdashery; hats; hemp and manufactures; agricultural implements and tools; jams; jewellery; jute manufactures; lard substitutes; leather and manufactures; lime; linen piece-goods and manufactures; electric lighting machinery, marine engines, sewing machines and parts, water and sewerage machinery; matches; iron and steel; musical instruments; illuminating, lubricating fuel, paint, road oils; playing cards; perfumery; paints, colours, putty; pickles and condiments; pictures; platedware; saddlery and harness; fine salt; silk manufactures; soap; spirits; starch; stationery; stoneware; sugar; syrup; tea; toys and games; tires and tubes; umbrellas; fresh vegetables, except potatoes; vinegar; watches; wax; wood, manufactured; wool, manufactured.

These prohibitions are not to apply to any goods the subject of a contract made before the date of the proclamation nor to any goods shipped at a port in .

Canada, Newfoundland, or any foreign country before the date of the proclamation.

An additional list enumerated the following articles which it was stated can normally be obtained only from Canada, Newfoundland, or a foreign country, and for which licences may be more liberally granted:—

Beef, canned or pickled; butter substitute; cattle food; cheese; fish, canned, dried, pickled; wheaten flour; hay; pitch pine, white pine; milk, condensed; oats; oil, olive; onions; paper manufactures; pork, pickled; potatoes; shingles; unmanufactured tobacco.

United States

ADDITIONAL INFORMATION ON INVOICES OF LUMBER

United States Treasury Decision No. 50006, published in weekly Treasury Decisions of November 9, 1939, and effective thirty days thereafter, prescribes that invoices of lumber of Northern white pine (*pinus strobus*), Norway pine (*pinus resinosa*), and Western white spruce, for which exemption is claimed from the import tax of \$1.50 per 1,000 feet, board measure, are required to set forth that the lumber is not Engelmann spruce lumber, in addition to all other information required by law and regulation.

TENDERS INVITED

Australia

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes that tenders are being invited by the Australian Postmaster-General's Department for outside distributing wire.

Interested Canadian manufacturers may obtain specifications and tender forms from the Australian Trade Commissioner, New York. Tenders are returnable to the Deputy Director, Posts and Telegraph, Melbourne, Australia, and close December 12, 1939.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Denmark

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Oslo, October 21, 1939.—Foreign exchange required in Denmark for payment of imported goods can only be obtained providing the importer is in possession of an import licence. Hitherto import licences have been required for most imports and have been especially difficult to obtain for ordinary imports from Canada, due to Canada's favourable balance of trade.

Owing to the depletions of exchange reserves since the outbreak of war, regulations have been instituted whereby payment for goods in advance can only be effected after a permit has been obtained from the authorities (Valuta Central). The transfer of funds out of Denmark is not possible without a permit from the National Bank.

Finland

Up to the outbreak of hostilities no exchange restrictions existed in Finland and, due to ample currency reserves, there was no difficulty in obtaining the

necessary foreign exchange for the payment of imports. Since September 18 however, emergency measures have been applied whereby all imports are subject to licence, this licence being required before exchange is granted for payment.

These measures, which are said to be temporary, are due to the necessity of husbanding foreign exchange reserves to have them available for the more urgent necessities. Imports are thus to be restricted and luxuries barred. (No list of these is available.) Exchange is available, however, for legitimate imports—considered necessary by the authorities—for which import licences have been granted.

Travel abroad is discouraged, currency allowances being limited to 500 Finnish marks a day (approximately \$10) for necessary travel in Scandinavia. Funds may not be transferred out of Finland without a permit from the Bank of Finland.

When normal exports are resumed, these import and exchange restrictions are expected to be lifted.

Norway

Up to the outbreak of hostilities no legislative foreign exchange regulations or restrictions existed in Norway. A voluntary arrangement, however, was in force whereby the banks sold foreign exchange only to their own customers who notified their requirements beforehand to their respective banks. A committee appointed by Norges Bank (the State Bank of Norway) and the private and savings banks were empowered to exercise a certain degree of control over this voluntary arrangement. All demands for foreign exchange were met without delay.

Due to hostilities, the Foreign Exchange Committee of Norwegian Banks agreed to put into force temporary measures to ensure primarily the meeting of the most vital payments. The committee announced that, as from September 4, all foreign exchange transactions must pass through Norwegian banks. Foreign exchange is now sold solely to cover payments due for the import of goods, necessary travelling expenses, and other bona fide claims. Exchange for the purchase of foreign securities or for investments abroad is not allowed without agreement with the banks. Applications for the purchase of foreign exchange must be made on special forms, on which information proving the necessity of the granting of the request must be given.

Exchange for payment of normal import requirements is made available to importers after a permit has been obtained from the banking authorities, on production of documentary evidence, such as invoice, proving the necessity of exchange.

Sweden

The foreign exchange market in Sweden has remained unchanged since the outbreak of hostilities in so far as payment for imported goods is concerned.

There is no special procedure which Swedish importers have to follow in order to obtain foreign exchange, except with regard to the few countries with which Sweden has clearing arrangements. Canada is not one of these.

Foreign exchange is still readily available for payment of imported goods.

Japan

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, October 19, 1939.—Rigid control is exercised in Japan over all foreign exchange transactions, the permission of the Minister of Finance being required for the purchase of foreign exchange other than for small amounts.

From a commercial viewpoint, permission is necessary to remit amounts in excess of 100 yen per month when such amounts are required to pay for goods.

Permits are confined almost entirely to items which are classed as necessities and urgently required in Japan. Consequently the import trade has been considerably restricted. It should be remembered that the amount of 100 yen per month is the aggregate amount which may be remitted for goods, and not the amount for each class of commodity. It is highly desirable that Canadian exporters should make sure prior to making a shipment that the necessary exchange permits have been issued, or at least authorized, as otherwise there may be delays in receiving payment.

The purchase of exchange for purposes other than payment for goods is also strictly controlled. For travelling expenses not more than 500 yen or its equivalent may be taken out of Japan without a permit. Similarly not more than 500 yen per year may be sent to persons resident or travelling abroad without the permission of the Ministry of Finance. For certain specified purposes, such as marine insurance, 1,000 yen may be remitted without a permit. For general purposes, which are not specified in the regulations, the limit of "free" exchange is 100 yen per year.

Nicaragua

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, October 30, 1939.—The new exchange control regulations published in official decree of September 23, 1939, provide for reversion to the import permit system. The new regulations to be administered by the Exchange Control Commission appear to be more stringent than those formerly in force. At the same time, it is implied that once an import permit has been granted by the commission the necessary foreign exchange to effect payment will be available for remittance fairly promptly.

Nicaraguan importers must obtain the prior authority of the Exchange Control Commission to import merchandise from abroad and when applying for such permits must supply the following:—

- (1) Three (3) copies of the order showing a complete list of the merchandise in question and the price of each item together with the total value c.i.f. Nicaraguan port.
- (2) The name and location of the foreign firm with which the order is placed.

If the approval of the Exchange Control Commission is given, one copy of the order bearing the visa of approval will be filed by the Exchange Control Commission and the other two (2) authenticated and approved order forms will be returned to the Nicaraguan importer. The latter should forward one to the foreign exporter for presentation by him to a Nicaraguan consul, since consular documents will not be completed without it.

All orders for foreign merchandise totalling more than U.S.\$200 in value must be paid for in advance by an irrevocable letter of credit or an equivalent deposit in local currency acceptable to the National Bank of Nicaragua. The Exchange Control Commission is required to withhold approval of applications for import permits unless an assurance is received from the National Bank of Nicaragua that adequate covering foreign exchange to effect payment is available.

Under this new system it would appear that the risk of delays in receiving remittances from Nicaragua covering exports to that country has been diminished and in cases where import permits bearing the approval of the Exchange Control Commission of Nicaragua are provided by reliable Nicaraguan importers, Canadian exporters may reasonably expect to receive prompt payment.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 13, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 13, 1939, and for the week ending Monday, November 6, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 6	Nominal Quotations in Montreal Week ending Nov. 13	Official Bank Rate
Belgium	Belga	.1001	\$.1851	\$.1809	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2140	5½
Finland	Markka	.0252	.0208	.0211	4
France	Franc	.0392	.0247	.0248	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0081	.0080	6
Holland	Guilder	.4020	.5892	.5892	3
Hungary	Pengo	.1749	.3275	.3275	4
Italy	Lira	.0526	.0560	.0559	4½
Yugoslavia	Dinar	.0176	.0259	.0255	5
Norway	Krone	.2680	.2520	.2520	4½
Portugal	Escudo	.0442	.0401	.0397	4½
Roumania	Leu	.0060	.0079	.0079	3½
Spain	Peseta	.1930	.1130	.1129	5
Sweden	Krona	.2680	.2642	.2642	2½
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2277	.2280	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0247	.0248	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0247	.0248	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso	.4245	.3304	.3304	3½
	Unofficial		.2577	.2531	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Unofficial		.0561	.0559	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	(Unofficial (Export))		.0444	.0444	—
Colombia	Peso	.9733	.6346	.6344	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.4840	4.4844	—
China (Shanghai)	Dollar	.....	.0991	.0934	—
Hongkong	Dollar	.....	.2729	.2721	—
India	Rupee	.3650	.3353	.3349	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4007	.4007	—
Straits Settlements	Dollar	.5678	.5170	.5155	—
Australia	Pound	4.8666	3.57½	3.57½	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Increased pressure on sterling, emanating largely from European sources, brought free rates at New York down to a low of \$3.85 on November 9, the lowest closing quotation since September 18. Rates improved, however, to \$3.93½ on the 13th for a weekly net loss of only ½ cent. During the same period Canadian funds at New York dipped to a six-year low of 86½ cents, but subsequently stiffened to 88½ cents on the 13th as compared with 89½ cents on November 6. Weakness in the Canadian dollar was associated with the sudden liquidation by New York interests of Dominion bonds and Treasury notes. At Montreal neutrals were comparatively steady with the exception of the belga, which dropped a further ½ cent to 18.09 cents. French franc touched 2.40 cents on the 9th but later recovered to finish unchanged at 2.48 cents. Daily buying and selling rates set for sterling and United States funds by the Canadian Foreign Exchange Control Board were unaltered at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Shirting (Mercerized Poplin, Cotton).....	481	Cape Town, South Africa..	Agency.
Printed Cotton Materials.....	482	Auckland, New Zealand...	Purchase.
Velour.....	483	Melbourne, Australia.....	Purchase and Agency.
Jute Bags.....	484	Callao, Peru.....	Purchase and Agency.
Pearl Buttons.....	485	Leicester, England.....	Purchase.
Rubber Sheets, Heels and Soles, Eyelets, Laces, Cotton Waste Padding, Latex Glue and other Solutions, Threads of Silk and Flax.....	486	Oslo, Norway.....	Purchase or Agency.
Ice Cream Servers.....	487	Sydney, Australia.....	Purchase and Agency.
Upholsterers' Tacks.....	488	Sydney, Australia.....	Purchase or Agency.
Birch Veneer (Box Quality).....	489	Parow, Cape Province, South Africa.....	Purchase.
Wooden Cases.....	490	New York City, New York	Purchase.
Hardwood Dimension Lumber...	491	New York City, New York	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché. Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—Cleghorn & Harris Building, Adderley Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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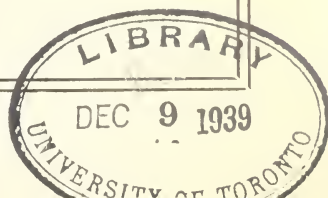
Ottawa, November 25, 1939

No. 1869



Canadian Creosoted Railway Sleepers being transferred by Lighters
from Ship to Shore in Colombo Harbour, Ceylon

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, November 25, 1939

No. 1869

EFFECT OF WAR CONDITIONS UPON UNITED KINGDOM TRADE

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER

London, November 1, 1939.—The effect of a state of war upon the overseas trade of the United Kingdom is indicated in the trade and navigation accounts issued by the Board of Trade for the month of September, during which imports had a value of £49,924,267 as compared with £74,991,477 in September, 1938, a decline of £25,067,210 or 33 per cent. There was an even greater percentage decline in the volume of United Kingdom exports, which had a value of £23,087,245 (leaving out of account stores exported for the forces) as compared with £39,808,957 in the corresponding month of the previous year, a decline of £16,721,712 or 42 per cent. Re-exports fell to £2,370,678 from £4,037,952, a decline of 41 per cent.

Apart from the inevitable dislocation incidental to the outbreak of war, the movement of trade was also handicapped by the reduction in available shipping space, due to the requisitioning of ships for the transportation of the Expeditionary Force, the diversion of shipping to essential from non-essential commodities, and the organization of a convoy system. One of the most restrictive factors influencing the volume of trade was the system of control involved in the requirements for the licensing of both exports and imports. In the export field the movement of goods necessary for war purposes was directly affected and was reflected in branches of trade which have always made a vital contribution to the export business of the country. Other factors influencing the volume of trade were the dislocation of trade with the Scandinavian countries and the closing of the Mediterranean for three weeks in September. Imports have been affected by problems related to the question of exchange. Apparently an endeavour is being made to balance exports with imports, in order to prevent the dissipation of accumulated reserves of overseas investment.

The shipping position is improving steadily and steps are being taken by the authorities to assist exporters to obtain a fair allocation of controlled supplies of basic materials, in order that the export of manufactured goods may be maintained in as great a volume as the war needs of the country permit. Also, many of the initial delays incidental to the setting up of the licensing system are being removed with the accelerated issue of licences.

Decreases in the principal classes of exports and imports in September last as compared with September, 1938, were as follows:—

	Sept., 1939	Sept., 1938
Exports—		
Food, drink and tobacco	£ 2,106,275	£ 3,074,976
Raw materials and articles mainly unmanufactured	2,894,213	4,637,682
Articles wholly or mainly manufactured	17,368,002	31,134,596
Imports—		
Food, drink and tobacco	23,017,956	37,679,190
Raw materials and articles mainly unmanufactured	13,511,114	17,992,144
Articles wholly or mainly manufactured	12,994,699	18,697,039

The returns for the nine months ended September 30, 1939, also reflect the contraction of United Kingdom trade due to war conditions in September. Exports of United Kingdom goods in that period were valued at £336,708,963 as compared with £346,659,620 in the corresponding period of 1938, while imports were valued at £655,685,657 as compared with £691,013,711.

UNITED KINGDOM: RESTRICTION OF MACHINERY IMPORTS

Under Import Prohibition (No. 4) Order, 1939, the importation into the United Kingdom of machinery, plant, appliances or parts on the appended list, which were despatched to the United Kingdom after October 24, 1939, is prohibited except under licence issued by the Import Licensing Department of the Board of Trade. Importers are warned that they should not arrange to ship until they have either obtained a licence or ascertained definitely that a licence will be available.

Firms which have imported any of the machinery affected and who wish to continue to do so are instructed to apply to the Import Licensing Department, Machinery Licences Department, 25 Southampton Buildings, Chancery Lane, London, W.C. 2.

The Department will have regard particularly for the following considerations in coming to a decision as to whether a licence may be issued for machinery, etc., specified in any application:—

- (1) The possibility of obtaining from manufacturers in the United Kingdom other machinery, etc., as the full equivalent or as an efficient substitute.
- (2) The general desirability of deferring the importation of machinery, etc., which is not required for work of national importance.

It is understood that the object of the order is to afford the import licensing authorities an opportunity to survey the whole of the machinery import trade with a view to determining which classes are essential and which may be dispensed with. The imports statistics are inadequate for the purpose, since they are not given in sufficient detail. It is claimed that requirements for the purposes of wartime industrial production are likely to result in a substantial increase in imports of machinery. It is necessary to ensure that these imports are as far as possible essential to the war effort and are not procurable from British manufacturers. When the situation has been clarified in the light of these circumstances, it is expected that relaxations will be introduced in this control.

The list of machinery imports subject to licence is as follows:—

I. Machinery, plant and appliances (other than electrical machinery plant and appliances) and parts thereof as hereunder specified:—

Advertising machinery.
 Agricultural and horticultural machinery and parts.
 Air and gas compressors and exhausters.
 Air conditioning and purifying machinery and plant.
 Battery-making machinery.
 Bleaching and dyeing machinery and plant.
 Boilers, evaporators, economizers, superheaters, steam accumulators and other boiler-house plant.
 Bookbinding machinery.
 Braiding machinery.
 Bricklaying machinery.
 Boot and shoe making and repairing machinery.
 Brush-making machinery.
 Button, eyelet, and rivet setting machinery.
 Canning machinery.
 Cement-making machinery.
 Chemical machinery and plant.
 Cleaning, sterilizing and washing machinery and plant.
 Clockwork mechanism, spring-motors and parts.
 Coin-freed machinery.
 Concrete-making and other machinery for sorting, washing, mixing, agitating or crushing materials.
 Condensers.
 Confectionery and sweet-making machinery.
 Conveyors, telfphers, transporters, cranes, hoists, and other lifting, winding and hauling machinery and parts.
 Counting, recording, gauging and testing machinery.
 Cutting machinery.

Dairy machinery.
 Drying machinery and plant.
 Embossing machinery.
 Embroidery machinery.
 Excavating and extracting machinery and parts.
 Fans.
 Filters and filtering machinery.
 Food and drink preparing and sterilizing machinery.
 Franking and postmarking machinery.
 Furnaces and furnace machinery and plant.
 Gas-making machinery and plant.
 Glass-working machinery and nozzles therefor.
 Grain-milling machinery.
 Handling, loading and unloading machinery and parts.
 Heating, cooking, distilling, rectifying, refining, coating and recovery plant.
 Hydraulic machinery and plant.
 Knitting and hosiery machinery.
 Machine-tools and metal-working and finishing machinery.
 Meters.
 Moulding machinery and appliances.
 Packing, packeting, bottling, filling, closing, wrapping, labelling, strapping, baling, nailing and stapling machinery.
 Paper and board making and working machinery and paper-machine wires.
 Pneumatic machinery and plant.
 Presses.
 Prime-movers.
 Printing machinery and rolls and plates therefor.
 Pumps.
 Refractory and chemically resistant bricks and tiles and other linings.
 Refrigerating and cooling machinery and plant and casings and complete mechanical units therefor.
 Rope and cord making machinery.
 Screening and sifting machinery and screens therefor.
 Separating machinery.
 Sewing machines and parts.
 Soap-making machinery and plant.
 Stereotyping, electrotyping and engraving machinery and rolls and plates therefor.
 Stone-working machinery and saws and saw-parts therefor.
 Sugar-making and refining machinery and plant.
 Textile machinery (including bobbins, combs, shuttles, cardcloth and loom parts).
 Textile printing and finishing machinery.
 Ticket-issuing machinery.
 Tobacco, cigar- and cigarette-making machinery and plant.
 Tractors and parts.
 Type casting and setting machinery.
 Weighing machinery and scales.
 Wire-working and wire-winding machinery, including draw-plates and dies.
 Wood-working machinery.
 Machinery for making particular articles and products.
 Machinery components and accessories, the following: ball, roller and other bearings and parts thereof, balls, bearing blocks and brasses, belts and belting, dies, flywheels, gear wheels and gear boxes, ground and polished steel rolls, knives, cutters, shafts and shafting.

II. Electrical machinery, plant and appliances and parts thereof as hereunder specified:—

Battery-charging sets.	Generators and parts.
Condensers.	Magnetos.
Converters and transformers.	Meters.
Electric heating and cooking apparatus.	Motors and parts
Electromedical apparatus.	
Portable mechanical appliances, electrically driven.	
Starting and controlling gear and parts therefor.	
Switch-gear and parts therefor.	
Telegraph and telephone apparatus.	

III. Machinery not hereinbefore specified (and excluding aeroplanes, locomotives and vehicles other than tractors), and being an assemblage of parts, some of which are capable of relative motion, whereby energy may be transmuted or may be transmitted with modification.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE, (MONTH OF OCTOBER, 1938 AND 1939, AND TEN MONTHS
ENDED OCTOBER, 1938 AND 1939)

NOTE:—The descriptions of commodities used in the following table are taken from Canadian statistical classification of exports and in many instances are not identical with the terms of the concessions secured in the trade agreement, which are based on United States tariff classification. In cases where the two classifications vary materially, the tariff rates quoted apply to the commodities for which statistics are given only as and to the extent indicated. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities				Value				United States Tariff		
	Month of October		Ten months ended October		Month of October		Ten months ended October		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)	
	1938	1939	1938	1939	1938	1939	1938	1939			
AGRICULTURAL AND VEGETABLE PRODUCTS											
Fruits and vegetables—											
Blueberries, frozen.....	236,424	1,440,600	1,162,322	2,683,679	18,116	103,157	77,052	186,640	35% ad val.	17½% ad val.	
Blueberries, fresh, n.o.p.....	141,702	258,429	2,505,839	2,572,945	7,246	19,932	151,506	138,952	14c. per lb.	1c. per lb.	
Certified seed potatoes.....	96,100	51,111	287,478	302,130	89,553	47,687	191,289	281,126	75c. per 100 lbs.	37½c. per 100 lbs.	
Potatoes, n.o.p.....	57	3,417	143,338	183,216	31	2,267	71,230	108,186	75c. per 100 lbs.	37½c. per 100 lbs.	
Turnips.....	330,709	364,775	1,660,371	1,529,450	105,800	153,422	586,055	568,272	25c. per 100 lbs.	15c. per 100 lbs.	
Grains and farinaceous products—											
Barley.....	583,255	1,020,411	1,475,690	2,978,519	195,582	527,388	527,299	1,357,475	20c. per bu.	15c. per bu.	
Oats.....	1,470	613,938	7,730	2,971,101	875	216,094	3,892	982,000	10c. per bu.	8c. per bu.	
Rye.....	104,999	685,831	280,444	1,693,122	78,000	113,016	113,016	684,299	15c. per bu.	12c. per bu.	
Bran, shorts and middlings.....	79,616	685,831	143,004	3,658,837	62,545	691,705	114,378	3,435,900	10% ad val.	5% ad val.	
Cereal foods, prepared.....	133,672	136,808	996,787	1,504,113	132,283	99,329	66,408	57,627	20% ad val.	10% ad val.	
Malt.....							1,067,621	1,319,764	40c. per 100 lbs.	40c. per 100 lbs., if barley malt;	
Screenings (grain).....	212,938	299,705	638,916	1,094,393	20,018	36,664	117,507	183,898	10% ad val.	5% ad val.	
Maple syrup.....	105	3,212	3,555	292,652	176	11,160	9,697	235,963	4c. per lb.	2c. per lb.	
Maple sugar.....	522,584	2,065,091	7,304,129	7,552,964	79,814	305,196	1,166,897	1,173,571	10c. per lb.	3c. per lb.	
Whiskey.....	227,396	309,953	1,934,291	1,118,815	1,125,315	1,625,375	8,012,746	6,073,722	\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years.	

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF OCTOBER, 1938 AND 1939, AND THE TEN
MONTHS ENDED OCTOBER, 1938 AND 1939)—Continued

Commodities	Quantities				Value				United States Tariff	
	Month of October		Ten months ended October		Month of October		Ten months ended October		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1938	1939	1938	1939	1938	1939	1938	1939		
ANIMALS AND ANIMAL PRODUCTS—Con.										
Fish, fresh and frozen—Con.										
Swordfish, fresh and frozen..... Cwt.	816	1,231	12,978	17,890	11,230	20,804	158,008	242,879	2c. per lb.	1c. per lb., if not frozen.
Fresh-water fish, other, fresh and frozen..... Cwt.	50,507	58,506	453,643	475,197	471,922	515,018	4,097,686	3,943,750	1c. per lb. (not filleted); 2½c. per lb. (filleted).	3c. per lb. (not filleted); 2½c. per lb. (filleted).
Fish, salted, dried, smoked, or pickled—										
Cod, haddock, pollock, hake and cusk, dried..... Cwt.	18,332	13,186	59,638	54,996	122,445	92,564	384,764	364,900	1½c. per lb., if containing not more than 43% moisture.	3c. per lb., if containing not more than 43% moisture.
Cod, pollock, hake, and cusk, green-salted..... Cwt.	13,602	38,154	84,377	124,743	40,249	105,368	231,421	344,308	3c. per lb., if containing more than 43% moisture.	3c. per lb., if containing more than 43% moisture.
Cod and haddock, smoked..... Cwt.	2,379	5,477	20,082	25,749	23,180	35,160	203,907	227,100	2c. per lb., if skinned or boned.	1½c. per lb., if skinned or boned.
Herring, sea, pickled..... Cwt.	2,599	2,972	6,831	7,582	7,993	9,065	22,089	23,018	3c. per lb. (filleted).	2c. per lb. (not filleted).
Herring, sea, smoked..... Cwt.	246	2,929	6,084	8,617	2,400	24,704	28,519	63,483	1c. per lb., net weight.	3c. per lb., net weight.
Mackerel, pickled..... Cwt.	5,522	5,220	15,923	18,479	25,176	21,288	85,198	82,470	1½c. per lb., if not boned.	3c. per lb., if hard, dry-smoked.
Salmon, pickled..... Cwt.	25	1,105	2,042	2,614	186	22,350	33,346	55,395	25% ad val.	1c. per lb., net weight.
Salmon, smoked..... Cwt.	4	1	24	28	75	13	600	546	25% ad val.	12½% ad val.
Fish, canned—										
Lobsters, canned..... Cwt.	815	452	4,536	6,399	38,658	21,513	227,184	288,340	Free.	Free.
Fur skins, undressed—										
Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed..... No.	3,762	93,317	524,542	655,684	24,936	188,894	1,960,675	2,574,350	Free.	Free.
Fox skins, black and silver, undressed..... No.	466	1,094	7,412	26,002	5,300	18,324	190,873	541,155	50% ad val.	37½% ad val.
Hair and bristles..... Sq. ft.		411,437		2,247,558	672	83,938	9,625	447,348	15% ad val.	7½% ad val.
Meats—										
Bacon and hams, shoulders and sides..... Cwt.	468	423	5,670	4,698	18,721	13,138	208,813	158,380	3½c. per lb.	2c. per lb.
Pork, fresh, chilled and frozen..... Cwt.	2,244	3,158	20,452	18,294	48,506	60,074	373,638	356,853	2½c. per lb.	1½c. per lb., if fresh or chilled.
Pork, dry-salted..... Cwt.			70				805		3½c. per lb.	2c. per lb.
Pork, pickled, in barrels..... Cwt.		1	262	1	10	20	4,447	20,31c.	per lb., but not less than 20% ad val.	2c. per lb.
Edible animal entrails, n.o.p. (a)..... Cwt.		796		5,124		11,204		105,083	6c. per lb., but not less than 15% ad val.	3c. per lb., but not less than 15% ad val.
Milk products—										
Cheese..... Cwt.	2,704	29,627	15,723	55,066	47,095	394,780	273,845	789,361	7c. per lb., but not less than 35% ad val.	4c. per lb., but not less than 25% ad val. if cheddar cheese, not further processed than divided into portions.
Cream..... Gal.			5,096	4			11,153		2.55%oc. per gal.	23½oc. per gal.
										50½oc. per gal. on imports in excess of 1,500,000 gals. during any calendar year.

Milk, fresh.....	Gal.	240	288	2, 118	2, 658	90	90	759	960 1/4c. per gal.....	31c. per gal.; 61c. per gal. on imports in excess of 3,000,000 gals. during any cal- endar year. 21c. per gal. if sperm oil.
Whale oil.....	Gal.			457, 274				144, 196	5c. per gal. if sperm oil.....	
Wood, Wood Products and Paper										
Christmas trees.....	No.	45, 157	83, 988	518, 522	834, 807			2, 506	18, 587 10% ad val.....	5% ad val.
Fence posts.....	No.	48, 989	61, 430	270, 360	303, 405	7, 971		46, 574	73, 735 Free.....	Free.
Telegraph and telephone poles.....	No.	31, 659	19, 580	223, 558	146, 833	178, 497		804, 051	919, 426 Free.....	Free.
Railroad ties.....	No.	10, 037	12, 777	49, 015	55, 028	14, 347		180, 258	105, 244 Free.....	Free.
Firewood.....	Cord	17, 678	25, 026	126, 151	147, 953	63, 119		255, 982	289, 432 Free.....	Free.
Laths.....	M	15, 132	16, 127	116, 132	155, 905	80, 694		404, 185	432, 436 Free.....	Free.
Logs.....	M	3, 823	2, 720	28, 588	25, 570	189, 889		1, 322, 925	1, 824, 382 Free.....	Free.
Pickets.....	M	100, 994	97, 577	591, 807	313, 999	15, 971		205, 138	194, 184 Free.....	Free.
Piling.....	Lin. ft.					6, 111		35, 718	19, 085 \$1 M ft. b.m. if fir, spruce, pine, hemlock, or larch.	50c. per M ft. b.m. if fir, spruce, pine, hemlock, or larch.
Planks and boards and square timber— Flooring of hardwood.....	M ft.	53	92	169	190	5, 083		8, 203	Free if other kinds.....	Free if other kinds.
Planks and boards, hardwood, n.o.p., and square hardwood timber.....	M ft.	3, 976	7, 474	22, 928	39, 154	309, 439		927, 857	10, 883 8% ad val. if maple, birch or beech.	4% ad val. if maple, birch or beech.
Planks and boards and square timber, softwood.....	M ft.	49, 609	80, 632	343, 168	475, 759	2, 096, 038		8, 535, 958	1, 616, 404 Free, but subject to \$3 M ft. b.m. revenue tax.	Free, but subject to \$1.50 M ft. b.m. revenue tax.
Pulpwood.....	Cord	103, 464	143, 292	162, 211	879, 057	1, 178, 799		9, 503, 817	12, 009, 638 \$1 M ft. b.m. and \$3 M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch.	50c. M ft. b.m. and \$1.50 M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch. (Western white spruce, Northern white pine and Norway pine ex- empt from revenue tax).
Shingles.....	Square	22, 517	333, 968	1, 796, 908	2, 523, 784	939, 795		4, 867, 208	Free, but subject to \$3 M ft. b.m. revenue tax if other woods.	Free, but subject to \$1.50 M ft. b.m. revenue tax if other woods.
Staves and headings.....	Cwt.	897, 362	1, 395, 462	7, 197, 617	9, 177, 096	1, 280		9, 828	Free.....	Free.
Wood pulp.....	Cwt.					2, 971, 650		17, 201, 957	Free.....	Free.
Book paper and newsprint, side runs and side rolls.....	Cwt.	46, 153	101, 508	269, 675	354, 649	117, 564		281, 562	Free if staves.....	Free if staves.
Hanging paper, not printed (a).....	Cwt.								392, 922 1c. per lb. and 10% ad val.	1/5c. per lb. and 5% ad val.
Newsprint paper.....	Cwt.	4, 034, 604	4, 933, 569	31, 235, 007	35, 277, 305	10, 935, 118		68, 510, 127	77, 599, 911 Free.....	74% ad val. Free.
Pulpboard for wallboard (a).....	Cwt.		16, 624		170, 980	29, 210			10% ad val.....	74% ad val.
									10% ad val. if pulboard in rolls, not processed; \$14.50 per ton (2,000 lbs.) but not less than 15% or more than 30% ad val. if pulboard in rolls, processed.	5% ad val. if pulboard in rolls, not processed; 15% ad val. if pulboard in rolls, processed.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF OCTOBER, 1938 AND 1939, AND THE TEN
MONTHS ENDED OCTOBER, 1938 AND 1939).—Concluded

Commodities	Quantities				Value				United States Tariff				
	Month of October		Ten months ended October		Month of October		Ten months ended October		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)			
	1938	1939	1938	1939	1938	1939	1938	1939					
IRON AND ITS PRODUCTS													
Castings of iron and steel, n.o.p.,.....Cwt.	66		683	1,372	2,166		415	6,043	9,158	14,141	20% ad val. if of iron....	10% ad val. if of iron	
Farm implements and machines and parts (except "Garden and farm tools" and "Spades and shovels and parts").....Ton	557		1,266	5,497	6,729		45,675	70,646	2,250,759	1,601,108	Free.....	Free.	
Ferro-silicon.....Ton							15,286	29,272	132,490	174,110	2c. per lb. on silicon content.	1c. per lb. on silicon content when containing 8%, but less than 30% of silicon.	
Spiegeleisen (a) (see "Ferro-manganese and other ferro-alloys, n.o.p."),.....Ton			8,106								975,303	75c. per ton (2,240 lbs.).	75c. per ton (2,240 lbs.).
Ferro-manganese and other ferro-alloys, n.o.p. (included "Spiegeleisen" prior to January 1, 1939).....Ton	1,910		173	8,755	410		52,459	629	299,811	10,472	1½c. per lb. on manganese content; if ferro-manganese; 2½c. per lb. on chromium content when containing not less than 3% of carbon; if ferro-chrome. (Reduced to 1½c. per lb., Swedish Agreement, Aug. 5, 1935).	1c. per lb. on manganese content when containing not less than 4% of carbon; if ferro-manganese; 1½c. per lb. on chromium content when containing not less than 3% of carbon; if ferro-chrome.	15% ad val.
Skates.....Pair	34,181		92,865	179,941	380,995		25,771	69,395	132,660	286,591	20% ad val.....		
NON-FERROUS METALS AND PRODUCTS													
Aluminum in bars, blocks, ingots, sheets, etc.....Cwt.	5,762			22,287	39,185		87,496		342,443	537,337	4c. per lb., if crude.	3c. per lb., if crude.	
Aluminum scrap.....Cwt.	374		820	4,036	9,176		7,493	5,305	23,469	78,538	4c. per lb.	3c. per lb.	
Cadmium (a).....Cwt.			30,053		60,128		15,027	15,027		30,064	15c. per lb.	7½c. per lb.	
Cobalt, contained in ore.....Cwt.	126		94	560	610		18,168	7,200	34,314	44,608	Free.....	Free.	
Cobalt, metallic.....Cwt.	12,726			61,231			18,917		90,195		Free.....	Free.	
Nickel, contained in oxide.....Cwt.	379		1,236	2,123	13,074		7,608	29,276	84,515	283,248	Free.....	Free.	
Nickel, fine.....Cwt.	47,920		126,932	341,179	768,595		1,198,691	3,507,297	8,532,399	19,785,429	3c. per lb.	2½c. per lb.	
Selenium and salts of (a).....Cwt.			13,105		92,796			20,389		142,197	Free.....	Free.	
Zinc, contained in ore.....Cwt.											1½c. per lb. on zinc content.	1½c. per lb. on zinc content.	
Zinc spelter.....Cwt.	6,515		7,031	29,594	94,602		19,719	22,627	105,717	305,152	1½c. per lb.	1½c. per lb.	
NON-METALLIC MINERALS AND PRODUCTS													
Abrasive, artificial, crude, including carborundum.....Cwt.	84,487		137,851	862,153	976,884		208,595	389,269	2,363,040	2,554,080	Free.....	Free.	
Asbestos, and asbestos sand and waste.....Ton	18,416		34,037	134,085	178,436		552,537	1,180,746	4,013,014	5,870,254	Free.....	Free.	

Basic refractory materials, dead-burned (a).....Ton		584 157 940	511 367 898	5 062 557 3 145	152	56 173 6 558	36 797 3 835	494 449 34 188	3 650 30% ad val.....	20% ad val., if containing 15% or more of lime.
Coal tar and pitch; creosote oil; and coal tar oils an.o.p. (See "Nepheline syenite").....Gal.									Free.	Free.
Feldspar (See "Nepheline syenite").....Ton									361 439	25c. per ton (2,240 lbs.).
Gypsum or plaster, crude.....Ton		73 047	200 183	589 303	884 058	86 408	214 448	684 468	30% ad val. if ground.....	If crude; 15% ad val., if ground.
Lime, building.....Cwt.		9 474	94 474	101 894	78 584	3 817	3 858	40 982	994 125	Free.
Lime, h.o.p. (a).....Cwt.									33 088	25c. per 100 lbs., if lime-stone crude; 12c. per 100 lbs., if hydrated; 10c. per 100 lbs., if other.
Nepheline syenite (includes "Feldspar" for January, February and March, 1938).....Ton			2 568		68 698		921		25 898	Same rates as above.
Quartzite (a).....Ton		1 910	2 794	22 575	21 379	7 485	9 666	112 082	76 260	Free, if crude; 15% ad val., if ground.
Sand and gravel.....Ton		51 926	19 040		96 850		34 000		175 802	Free.
Talc.....Cwt.		14 601	46 855	318 887	170 331	15 868	19 513	83 206	54 439	Free.
Talc.....Cwt.			13 614	105 897	105 012	7 366	7 651	54 598	55 690	17½% ad val., if valued not more than \$14 ton.
CHEMICALS AND ALLIED PRODUCTS										
Acetic acid.....Cwt.		17 637	3 486	56 183	8 853	94 368	9 118	300 653	32 387	1½c. per lb., if not over 65%; 2c. per lb., if over 65%.
Acetylene black (a).....Lb.			268 250		1 851 460		27 983		194 545	20% ad val.
Cyanamid.....Cwt.		155 091	296 624	2 205 250	2 365 170	165 369	267 301	2 442 901	2 567 462	Free.
Soda and sodium compounds.....Cwt.		44 286	58 798	357 430	453 577	152 167	163 285	1 380 741	1 769 229	Free, if sodium cyanide.
Vinyl acetate and synthetic resins made therefrom (a).....Lb.			49 576		325 117		17 639		152 840	8c. per lb. and 30% ad val.
Junk, except metallic and rubber.....Cwt.		4 219	1 314	20 498	16 966	9 405	9 118	61 421	60 449	10% ad val.
Organs and parts.....No.			1	9	6		55	34 704	3 047	35% ad val., if pipe organs and parts; 40% ad val., if pipe organ player actions (church); 60% ad val., if pipe organ player actions (other).
MISCELLANEOUS COMMODITIES										

(a) From January 1, 1939.

MR. VECHSLER TO VISIT CHILE

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, Peru, whose territory includes Bolivia, Ecuador, and Chile, plans to sail from Callao about December 21 for a visit to Chile in the interest of Canadian trade with that country. Mr. Vechsler will spend six or seven weeks in Chile.

Canadian firms interested in the Chilean market and wishing to have the Trade Commissioner conduct investigations in their behalf or perform other services for them in Chile are requested to communicate immediately with Mr. Vechsler at Lima. His address for letters is: Casilla 1212, Lima, Peru.

INDIA AS A WARTIME MARKET

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Calcutta, September 30, 1939.—The war is expected to work many important changes in the commercial relationship between Canada and India. As yet it is premature even to speculate on what precise form these may take or their probable extent; but several suggestions on the subject and a general review of today's situation in the Indian market may be of value to Canadian exporters.

IMPORT DEMAND

India is one of the leading trading countries of the world, having ranked tenth among importing nations and eighth among exporting during 1938. Import trade in that year was valued at Can.\$554,000,000. The principal commodities purchased from abroad are mineral oils, machinery, raw cotton, cotton piece-goods, rice, motor vehicles and parts, iron, steel, and other metals, wool and its manufactures, dyeing and tanning materials, paper, electrical equipment, chemicals, hardware, lumber, silk and its products, instruments, apparatus and appliances, provisions of all kinds, and drugs and medicines. Purchases of industrial equipment and raw materials naturally fluctuate in sympathy with the trend in general conditions within the country; but the trade in essentials is comparatively steady, and the variety of foreign imports has for years shown a regular increase despite efforts to achieve an advanced stage of self-sufficiency in the local production of several of these commodities.

SOURCES OF SUPPLY

The United Kingdom is India's principal source of supply of import requirements and normally furnishes from one-quarter to one-third of the total value of all imports from abroad. Burma stands second, followed by Japan, Germany, and the United States. Among the countries which figure less prominently in the trade are Kenya, the Straits Settlements, Egypt, Iran, the Anglo-Egyptian Sudan, Ceylon, Australia, and Sumatra, all of them in fairly close geographical proximity to the Indian market. Substantial quantities of imports have also been brought in from Belgium, Italy, Switzerland, Czecho-Slovakia, the Netherlands, and Sweden. The value of imports from the latter European countries and from Germany in 1937-38 were officially recorded as follows: Germany, Rs.153,056,000; Belgium, Rs.32,670,000; Italy, Rs.25,682,000; Switzerland, Rs.17,021,000; France, Rs.15,749,000; Czecho-Slovakia, Rs.15,179,000; Netherlands, Rs.14,815,000; Sweden, Rs.14,064,000.

IMPORTS FROM GERMANY AND GERMAN-CONTROLLED COUNTRIES

Imports from Germany during 1937-38, valued at Rs.153,056,000 as indicated above, represent only part of that from countries which have been

absorbed into the German Reich or otherwise eliminated from the list of suppliers of India's import requirements. They form, however, the greater part of the total. It includes also Rs.15,179,000, the value of purchases from Czecho-Slovakia, and Rs.7,754,000, that of imports from Austria. The combined total of Rs.175,989,000 is approximately equal to Can.\$52,797,000.

German shipments to the Indian market have included a wide range of commodities, but the principal items have been dyes, machinery, metals, hardware, photographic and scientific apparatus, and vehicles. The values of the imports of outstanding importance from Germany into India in 1937-1938 are shown in the following table:—

Principal Imports into India from Germany, 1937-1938.

	Commodity	Rs. 1,000
Total		153,056
Coal tar dyes		25,056
Miscellaneous machinery		6,075
Electrical machinery		4,811
Metal lamps		4,671
Motor cars		3,607
Miscellaneous drugs and medicines		3,462
Brass and bronze, wrought		3,007
Copper sheets		2,999
Iron and steel tubes, etc.		2,896
Sewing and knitting machines		2,726
Photographic equipment		2,685
Textile machinery		2,681
Newsprint paper		2,371
Woollen manufactures		2,026
Patent medicines		1,833
Builders' hardware		1,718
Miscellaneous paper boards		1,445
Railway cars and parts		1,435
Sugar machinery		1,261
Starch		1,257
Pencils		1,145
Ale and beer		1,139
Iron and steel hoops and strips		1,092
Tire casings		1,072
Iron and steel bolts and nuts		1,046
Zinc and spelter, unwrought		1,037
Other		68,401

A similar review of recent imports into India from Austria and Czecho-Slovakia indicates that in the former instance the business was made up largely of newsprint paper and smaller quantities of wrappings and miscellaneous printings, cotton manufactures, particularly white piece-goods, German silver, and toilet requisites. The imports from Czecho-Slovakia, on the other hand principally, consisted of arms and ammunition, boots and shoes, glassware, machinery, iron and steel goods, and paper of various types.

IMPORTS FROM OTHER EUROPEAN COUNTRIES

Import trade with various other European countries will be affected in varying degrees by transportation difficulties and by numerous other obstacles occasioned by war conditions. In general, the volume of imports from all such countries into India is expected to fall far below normal levels. Poland has ceased to export, and the Scandinavian and Baltic countries, as well as those whose trade must pass through the Mediterranean, are seriously handicapped in making deliveries to the Indian market and may conceivably remain in this position for some time to come. It is difficult to estimate the value of the import trade involved in the case of these countries but in the aggregate it has amounted in recent years to some Can.\$10,000,000 and must inevitably decline to a much smaller figure.

ALTERNATIVE SOURCES OF IMPORTS

It is a foregone conclusion that India's import trade will show considerable declines as result of the war. Some goods will not be obtainable in the same form or quantity as that to which the market has been accustomed. Substitutes of domestic production will replace various others, while all import business is likely to show some effect from the customary wartime trend towards economy.

Various essential commodities and many ordinary market requirements will still be purchased from abroad and it appears, at the time this report is being written, that there will be an important measure of expansion in local purchases from Canada, the United States, Australia, New Zealand, South Africa and other African countries, from Malaya and the Netherlands Indies, and possibly also from China and Japan. The United States and Canada will probably benefit greatly from these alterations in India's import business as many of the goods which cannot now be purchased in Europe, are fully manufactured articles which are in many cases procurable alternatively only from the United States or Canadian plants. Japanese participation in the business is an unknown factor. Owing to the recent heavy declines in that country's exports to India it may not become apparent for some time to come.

PROBABLE INCREASED DEMAND FOR CANADIAN PRODUCTS

Improved demand for Canadian products will appear in the first place in the case of those goods which Canada has already sold to India and which cannot at present be purchased in normal amounts from competitive sources. Motor vehicles, numerous foodstuffs, and newsprint paper are outstanding examples in this category. In other instances, goods which are made in Canada but which are not normally exported to India, will now find a market in this country owing to a shortage of supplies and the elimination of competition. Various types of machinery, chemicals, hardware and metal products, and electrical equipment may be cited as examples of trade which is expected to develop from this particular situation. There will be still further opportunities consequent on abnormal and temporary demand in this country for war materials and articles used in their production.

This office has received an unprecedented number of inquiries for Canadian products during recent weeks. Many of these are of no practical interest and many others will merit attention only when the demands of more valuable markets have been ascertained and when questions relating to exportable stocks, shipping facilities, and allied matters have become clarified. The increased interest in import trade from Canada is, nevertheless, indicative of considerably improved sales opportunities for Canadian goods in this territory.

To itemize the particular products in which new or increased business is to be expected is as yet inadvisable. It may be suggested, however, that so far as supplies are available, increased imports into the Indian market from Canada should be recorded in the following goods:—

Canned foods of all types
Newsprint paper
Electrical equipment
Motor vehicles
Chemicals

Iron and steel products
Machinery
Hardware
Fertilizers
Wood-pulp

CURRENT MARKET CONDITIONS

The outbreak of war produced unusually disturbed conditions throughout the Indian market. In a community where speculation is rife and where large numbers of manufacturing and trading concerns operate with very little capital and on small margins of profit, the situation could not have been otherwise. Attempts at profiteering were evident from the beginning but have been firmly

checked by the various governments concerned. Hoarding is also prevalent and all possible steps are being taken to prevent it. Stock market prices in many instances have risen to abnormal levels, particularly in the case of firms whose products are thought to be immune from overseas competition or for which foreign demand is expected to increase. Official regulation of various branches of both foreign and domestic trade is, however, expected to induce a return towards normal conditions in the comparatively early future.

EXCHANGE SITUATION

Since the rupee, the standard monetary unit in India, is linked closely with sterling, against which the Canadian dollar now shows some appreciation, the cost of Canadian goods in local money is to-day (Sept. 30) about 12 per cent higher than before hostilities began. If this situation persists, there will inevitably be some falling-off in sales to this market of goods in which price is the predominant factor in the business, as well as of certain others which will suffer from the lower-priced competition offered by United Kingdom products and those from countries on a sterling basis. Compensating advantages will still accrue from the favourable comparison between the purchase price in local currency as between Canadian products and those originating in the United States and other countries where the currency has shown little or no fluctuation in terms of sterling.

PREFERENCES

Despite the fact that Canadian goods are not entitled to any tariff preferences on importation into India, whereas numerous imports from the United Kingdom are so favoured, Canadian trade to this market will still benefit to some extent not only from the normal tendency of many elements in the business community to purchase British goods whenever possible, but also from the war-time insistence of various authorities and traders of adherence to this policy. There are already numerous signs of the valuable impetus which this situation may give to Canadian exports to the Indian market.

COMMUNICATIONS

Temporary dislocation of the mail services due to the curtailment of air mail transportation and the increase in air mail rates, and also to the routing of shipping via the Cape, will act for some time as a deterrent to transactions between Canadian firms and their connections in this country. The situation at the moment is uncertain but will undoubtedly show improvement.

Cable charges have increased through censor regulations forbidding the use of codes, and this must remain an obstacle to business. Canadian exporters are urged, nevertheless, to utilize this means of correspondence with their connections in India whenever it appears that there may be advantage in doing so.

SHIPPING

So far as can be ascertained at the time of writing, Canadian exports will continue to be carried to India by the same lines and along approximately the same routes as before the war. Shipments from Atlantic ports will be routed via the Cape and accordingly will be longer in transit than when the Mediterranean route was employed. Some curtailment in trans-Pacific services may have a similar result; but it is not expected that any of these difficulties will be serious, or that there will be any permanent obstacles to the delivery of Canadian exports to the Indian market.

SUMMARY

So far as Canadian manufacturing and export firms are free to do so, it is recommended that the Indian market for their products should be given all

possible attention. Reduced competition will lessen or remove many of the obstacles which have heretofore interfered with Canadian business, and from a long-term viewpoint, the present situation offers an opportunity for securing a foothold in one of the world's most valuable markets and for consolidating a position which should be, in many instances, of the greatest permanent value.

Catalogues, specifications, prices, and all essential information regarding all products which can be offered for export to this territory should be forwarded to this office, preferably in duplicate, for submission to prospective buyers and representatives. The Canadian Trade Commissioner at Calcutta will supply up-to-date information on market conditions at all times on request.

FOREIGN EXCHANGE CONTROL IN THE UNION OF SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, October 7, 1939.—As authorized under the Emergency Finance Regulations and by virtue of a Government notice dated September 9, 1939, which became effective on that date, the Government of the Union of South Africa has established regulations governing the purchase, sale, and holding of foreign currency, foreign security and gold, both within the Union and in the mandated territory of Southwest Africa. Unless special permission has been secured from the Treasury, transactions in foreign exchange may only be conducted through the medium of the largest commercial banks. Currency, gold, and securities may be exported only under permit. Similar authorization is also required regarding the drawing or negotiating of bills of exchange, promissory notes, securities, or the making of any payments to secure property outside of the Union. These restrictions do not prevent the authorized banks dealing in foreign exchange, conducting any normal transactions within the scope of their authority, nor do they hinder the doing of anything which the Treasury certifies as being necessary to meet the reasonable requirements of trade or the fulfilling of contracts entered into before September 9, 1939. Provision is also made to acquire gold and certain foreign currencies and securities held by residents of the Union.

A copy of the regulations in question is on file at the Department of Trade and Commerce, Ottawa, and is available for study by anyone interested.

CONDITIONS IN THE LONDON MARKET FOR CLOVER AND GRASS SEED

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

London, October 27, 1939.—In *Commercial Intelligence Journal* No. 1845 (June 10, 1939) there was published a report by this office reviewing the London clover and grass seed trade for the 1938-39 season.

The opening of the 1939-40 season more or less coincided with the outbreak of hostilities, and seed merchants in common with all classes of traders were confronted by disturbances and uncertainties. So far no control of the clover and grass seed import business has been introduced, and business continues to be conducted in the customary manner and through the customary channels free from any direct restrictions or regulations.

ALSIKE

The only variety of clover seed imported into the United Kingdom regularly and in important quantities from Canada is alsike. It will be recalled that

last season Canadian supplies practically monopolized this market, due partly to the abundant 1938 crop; but that prices were relatively lower, although a firmer tendency developed towards the end of the season.

Although no reliable estimate can be obtained of the volume of alsike carried over, it was generally agreed that the quantity was fairly large, and in certain quarters it was thought that it represented about half the requirements of a normal year.

A considerable trade has already been done with Canada, not only in new crop seed but also in the 1938 crop, from the various odd lots remaining over in the Dominion. Certain importers have expressed the opinion that present stocks, plus commitments, will more than suffice for the coming sowing season; indeed they anticipate a certain surplus. Nevertheless, it is anticipated that the consumption of alsike will be maintained at the usual level; while supplies from other exporting countries, such as Poland and the Baltic States, are now closed to the United Kingdom, so that as far as can be seen at present Canada is the only source of supply.

As might be expected, prices are very much higher than last year. The fall in sterling has contributed to this increase. Twelve months ago Canadian alsike of 98 per cent purity was realizing between 56s. and 58s. per hundredweight (112 pounds) c.i.f. United Kingdom ports. Just before the war began equivalent quality of seed was being purchased at 85s. Since then the price has steadily mounted. The current quotation is 95s.

RED CLOVER

It is seldom that favourable opportunities occur for Canadian red clover seed in the United Kingdom. The situation this year, however, is such that there might be an opening, provided that the quality and prices are acceptable.

In this connection it seems fairly well established that French growers have harvested a very big crop, which dealers are willing to sell at extremely low prices. The quality is very fine and sales of highly re-cleaned seed have been made at about 50s. per hundredweight c.i.f. These re-cleaned seeds have been sold with purities of 98-99 per cent. A transaction by a London importer has been reported involving the purchase of North French red clover with a purity of 98 per cent and germination of 95 per cent, including hard seeds. It was concluded at between 56s. and 58s. per hundredweight (including 10 per cent import duty) laid down in warehouse.

Canadian merchants are understood to have offered red clover seed at 95s. per hundredweight c.i.f. London for new crop. While Canadian seed is not subject to the 10 per cent import duty and would command a reasonable premium over the French seed, the disparity in price is too wide to permit of transactions.

ALFALFA

The United Kingdom trade in alfalfa seed is almost negligible, but some requirements are obtained from France and Hungary. There is a plentiful supply of the French Provence seed, purchases of which have already been made to cost 60s. per 50 kilos f.o.b. Le Havre.

TIMOTHY

Importers advise that there is a good stock of American timothy and as Canadian seed is generally dearer it is not thought that prospects are favourable for this Canadian variety. It is, in fact, exceptional for London buyers to purchase Canadian timothy seed. The current price of American timothy seed is about 36s. 6d. per hundredweight c.i.f.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on November 16 with regard to the wheat and flour situation in Australia as follows:—

New crop conditions are generally favourable with first official estimate at 180,000,000 bushels. The British Government indicates that only a portion of the crop will be required, thus increasing the difficulties of the Australian Wheat Board in the disposal of the exportable surplus of 130,000,000 bushels. The guaranteed price by the Wheat Board is at present 3s. per bushel (equivalent to 53 cents Canadian) for bagged and 2s. 10d. per bushel (equivalent to 50 cents Canadian) for bulk f.o.b., yielding to the grower 2s. 1d. per bushel bagged (equivalent to 36 cents Canadian) and 2s. 3d. per bushel bulk (equivalent to 39 cents Canadian). Advances of 1s. 5d. per bushel bagged (equivalent to 24 cents Canadian) and 1s. 3d. per bushel bulk (equivalent to 21 cents Canadian) are planned to be made to the growers when the wheat is delivered to the Wheat Board, the remainder to be paid during April. The Commonwealth Bank is lending £20,000,000 to the Wheat Board to cover the advances to be repaid from realizations of the proceeds of the Federal Flour Tax and from the special subsidy of £2,000,000. Export quotations for flour are approximately £7 per ton (equivalent to \$24.64 Canadian), but there is little movement owing to freight difficulties.

MARKET FOR LUCERNE SEED IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 9, 1939.—In 1936-37 the Australian production of green forage crops, including maize, sorghum, rape, and lucerne, was valued at £A2,784,000 or about £A1 14s. 3d. per acre. Separate figures relating to the production of lucerne are not available, but it is reported that a shortage during 1938 made it necessary to import from New Zealand small quantities of the Marlborough strain, which was developed in New Zealand from seed imported from Australia.

The Director of the Department of Agriculture, Melbourne, is of the opinion that there is little prospect of imported lucerne seed being sold to advantage in Victoria since the strains of lucerne cultivated abroad are not recommended for sowing in that state. Production is not extensive in Victoria, and 2,209 centals were imported from adjoining states during the year 1938-39. In good seasons a few tons of seed are produced in Victoria.

In South Australia there is every prospect of lucerne-growing extending as an ordinary pasture crop; but there is little possibility of imported seed gaining a footing in that state, since South Australia produces more lucerne seed than is necessary for requirements, and regularly exports seed to other parts of the Commonwealth.

The area devoted to lucerne in Tasmania is very small and, on account of soil and climatic conditions, there is little prospect of extensive areas being devoted to this legume. Top-dressed artificial pastures are more productive throughout the year and are more suited to intensive grazing in that state than is lucerne. The Department of Agriculture in Tasmania is, however, exploring the possibilities of this plant as a producer of summer forage and for the provision of conserved supplementary fodder. The sources from which seed is drawn are New South Wales and Victoria and the annual consumption ranges from $\frac{1}{2}$ to 1 ton.

Of the Australian production, seed from New South Wales and South Australia is considered to be the best.

DUTY AND PRICES

Little lucerne seed is imported into Australia, primarily because the customs duty amounts to 6d. and 9d. per pound under the British preferential and general tariffs respectively. The prices quoted to retailers recently for New Zealand lucerne was between 1s. 4d. and 1s. 5d. per pound as compared with quotations for Australian lucerne of 2s. 3d. per pound wholesale and 2s. 6d. per pound retail. The lower price secured for New Zealand seed was due to the fact that it was of much lower grade than Australian and on inspection showed a very shrivelled appearance and discoloured seeds. Prices for Australian seed ordinarily are between 1s. 5d. and 1s. 7d. per pound, although South Australian seed is presently being quoted at 2s. 1½d. per pound in hundredweight lots or at a slightly lower figure if quantities approaching a ton are purchased.

VARIETIES FAVOURED

Grimm lucerne, the popular variety in Canada, has never taken well in Australia, probably due to differing climatic conditions. An official of the Department of Agriculture, Hobart, Tasmania, reported that investigations there have shown the upright Australian types of lucerne (Hunter River) to be of more value in that state than the more prostrate Grimm variety, while the Director of the Department of Agriculture, Melbourne, advised that winter-hardy varieties of lucerne such as Grimm, having developed under conditions different from those presented in Victoria, have been surpassed in experimental tests in that state by a "common" type of lucerne. A Melbourne seed dealer advises that Grimm lucerne seed is always carried in stock and featured in catalogues, but of 60 or 70 tons of lucerne seed sold during the past year only 2 hundredweights was Grimm lucerne seed.

Importations of seed from Canada have on occasion proved to be disappointing, particularly as objectionable thistle seeds were found to be present. The Seed Merchants' Association of Victoria recently passed a resolution that members would refuse to handle Canadian seeds unless such thistle seeds had been completely removed.

REGULATIONS

While the Commonwealth authorities are interested primarily in compliance with quarantine regulations, the state authorities are as well concerned with germination properties. The Victorian Seeds Act, providing for only one grade of lucerne seed, requires 75 per cent germination and a purity of 98 per cent. The remaining 2 per cent may include inert matter plus 1 per cent weed seeds. Regulations under the Commerce (Trade Descriptions) Act, 1905-33, however, require imported lucerne seed to contain no foreign seed or substances and to show germination to the extent of at least 80 per cent. This is virtually an impossible qualification and it is not strictly enforced.

If lucerne seed passed the Federal Quarantine Act with respect to weed seed and impurities, it is unlikely that it would be held up under the Commerce Act, even if a certain percentage of foreign matter and weed seeds were present. The importation of certain weed seeds is absolutely prohibited, and the presence of such weed seeds in lucerne shipments would condemn the shipment. On the other hand, if a shipment contained a small percentage of "unrestricted" seeds, it might not be condemned.

The Commerce Act provides that lucerne seed must satisfy the authorities as to soundness, cleanness, and freshness, and the trade description must in addition show the names of the state and district of origin, and the year in which the seed was produced. As an example, Canadian seedsmen shipping lucerne seed to Australia would stencil on each bag: "Lucerne seed, sound, clean and new, produce of district, province of, Canada, year"

The above inscription should be stencilled on the bags, as labelling or tagging does not suffice. According to the Commonwealth regulations, the importation of products in bags weighing up to, but not beyond, 200 pounds gross is permitted. To facilitate handling, and to secure a uniform package, Australian seed importers prefer to have shipments made in bags containing $1\frac{1}{2}$ hundred-weight (long) or 168 pounds, bags extra, tare allowed. It is necessary that all seed be shipped in double bags, and the inside bag must be sewn at the mouth—not tied—to prevent loss in transit.

The importation of lucerne seed is also prohibited under the Customs Act unless such seed is stained with fine polishing rouge to distinguish it from locally grown seed. The staining must be effected by first thoroughly mixing the total bulk of the seed with one-tenth part of one per cent of refined cotton-seed oil in a closed vessel (i.e. revolving barrel), then adding one-quarter of one per cent of fine polishing rouge and continuing the mixing until the added colour is uniformly distributed on the seed.

IMPORT PROSPECTS

While there do not appear to be important possibilities for the sale of Canadian lucerne seed in Australia, it is reported that there is likely to be an increasing demand for white clover seed owing to supplies from Poland being unobtainable.

Importations of alsike clover and white clover under the Victorian Seeds Act are required to have 70 per cent germination and a purity of 98 per cent. The remaining 2 per cent may include inert matter plus 1 per cent weed seeds. Alsike clover may also contain a proportion of 5 per cent of *Trifolium repens* (white clover), while white clover seed may contain 5 per cent *Trifolium dubium* (sucking clover) and/or *Trifolium hybridum* (alsike clover) seed.

Experiments have been conducted in Victoria by a leading seed merchant in connection with crested wheat grass, and there is a possibility that a market for this seed may be developed, particularly for use in the low rainfall areas.

MARKET FOR ALFALFA SEED IN NEW ZEALAND

W. F. BULL, CANADIAN TRADE COMMISSIONER

Auckland, October 12, 1939.—New Zealand is a pastoral country and, according to the latest census figures, the pastures of this Dominion are carrying 31,897,091 sheep and 4,564,948 head of cattle, including 1,853,713 dairy cows. In most years ample rainfall is spread evenly over each of the twelve months, and the growth of natural grasses is so abundant that most farmers do not grow alfalfa (lucerne) or special fodder crops. Until 1937 the number of cows and the production of butter fat showed a steady annual increase, and it was considered that production would continue to increase through a policy of top dressing of pastures and an improvement in the quality of the herds. Unfortunately this has not been the case, and butter fat production has shown decreases for two years running—6 per cent in 1937-38 and 13 per cent in 1938-39.

The Government and the country as a whole are vitally concerned with this decline in production, and efforts are to be made this year to improve and increase the winter feed position on the farms. Farmers are being encouraged to increase their production of lucerne and other similar crops.

EXPORTS AND IMPORTS

New Zealand is an important producer and exporter of grass seeds, and in 1937 (the latest year for which detailed statistics are available) made the following overseas shipments:—

	Quantity Cwt.	Value \$	Country of Destination
Red clover or cow grass.. . . .	8,053	158,112	Canada, Australia
White clover	2,492	81,928	United Kingdom, Australia, United States
Other clover.. . . .	456	7,576	Australia, United Kingdom
Cocksfoot grass	1,087	26,904	Australia, United Kingdom
Brown top grass.. . . .	2,283	50,932	United Kingdom, Australia, Canada
Chewings fescue	13,394	314,072	United States, United Kingdom, Canada, Australia
Crested dogstail	735	10,944	United Kingdom, Australia
(1936)	6,467	102,016	
Rye grass	27,734	153,636	Australia, United Kingdom, United States

New Zealand imports of grass seeds in 1937 were as follows:—

	Quantity Cwt.	Value \$	Country of Origin
Alsike.. . . .	645	14,744	Canada, United States
Red clover	277	5,104	France, Hungary
Other clover	7,980	220,300	Australia, France
Cocksfoot	413	5,516	Denmark
Lucerne	172	1,988	Australia, South Africa
Paspalum	2,143	61,100	Australia
<i>Poa praetensis</i>	722	13,184	United States
Rye grass	108	1,156	Netherlands, Australia
Timothy	2,373	17,540	United States, Canada

MARKET SITUATION

As a result of dry weather last year, New Zealand produced a very small crop of lucerne seed, estimated officially as 15 to 20 tons. This is less than normal requirements, and if the production of lucerne is to be increased, seed must be imported. In recent years South Africa has been the chief source of imported lucerne seed; last year this country supplied 20 tons of lucerne. Australian Hunter River lucerne seed is well known in New Zealand and favoured when local Marlborough lucerne seed is not available. The Grimm variety has been grown successfully in New Zealand and if Canadian seed prices are competitive, a market could be developed in this country this year.

In normal years prices for lucerne seed range down to 9d. (13 cents) a pound on the farm. As a result of the small crop last year, current wholesale prices for machine-cleaned Marlborough seed range from 1s. 5d. (25 cents) to 1s. 10d. (32 cents) per pound. Lucerne is planted in New Zealand from November to February; it will be necessary, therefore, to expedite sales if Canadian exporters are to participate in this year's trade.

Along with all other products the importation of seeds is subject to licence. Details of the procedure to be followed in 1940 have not been announced as yet, but for 1939 seed imports were limited to the value of imports during 1938. As Canada did not ship lucerne seed to New Zealand in 1938, it would be necessary to get special licences, but this could no doubt be arranged in view of the importance of grass seeds in the economy of New Zealand.

Under the exchange regulations overseas currency is being strictly rationed by the New Zealand Reserve Bank, and importers of seeds have been obliged to request their suppliers in overseas countries to accept the Reserve Bank's deferred payment scheme, under which payments for seeds imported during the second half of 1939 are made during the first half of 1940.

Imports of all seeds are free of duty; imported seeds must be stained.

WHEAT AND FLOUR IN JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, October 28, 1939.—For many years wheat flour has been one of the most important items of Jamaica's import trade; in 1938, not for the first time, it was the most valuable individual item. The quantity imported varies from year to year due to special causes, among which a decline of cost is important. When this happens, local dealers are likely to book heavily, and as only a given quantity can be consumed in the island during any one year, unusually heavy buying is generally followed by a decline in imports during the succeeding year.

The trade in wheat is quite small, the largest importer being a well-known firm of bakers in the Kingston municipality, who for many years have been making whole-wheat bread for their relatively few customers that like this kind of loaf. This firm have a small mill on their premises for grinding the wheat, and a few other bakers follow the same practice. However, reference to import statistics for the past five years discloses that the demand for wheat has increased by about 50 per cent in this period. The increase in the demand for flour is rather less marked.

In both cases the rise is related to the increase of Jamaica's population, now estimated at about 1,200,000 in round figures. No definite information is available as to the rate of annual increase, but it is known to be considerable, and in recent years has been higher as a result of the reduction in the death rate consequent upon the expansion of public health work. There has not yet appeared any counterbalancing decline in the birth rate; in the past year, however, propaganda has been launched towards that end. No census of Jamaica has been taken since 1921.

PARTICULARS OF IMPORTS

The following tables show imports of flour and wheat into Jamaica during the years 1934 to 1938 and for flour during the period January to September, 1939. In both cases values are c.i.f., and shipments of flour are shown in bags of 196 pounds. Wheat comes in bags of 240 pounds, but the number imported is not shown in the official statistics:—

Imports of Flour into Jamaica

From	1934	1935	1936	1937	1938	Jan.-Sept. 1939
CanadaBags	260,827	255,762	269,011	211,335	228,750	188,241
£	232,453	237,596	254,761	243,641	262,726	175,702
AustraliaBags	275	34,807	91,459	111,791	112,422	85,793
£	224	26,039	77,766	110,589	111,011	73,324
United KingdomBags	136,814	103,909	66,164	36,365	41,173	45,091
£	101,385	82,283	55,772	34,530	38,761	37,591
United StatesBags	1,181	4,960	1,141	7,600	31,286	12,253
£	1,709	5,320	1,758	9,618	39,458	14,150
Other countriesBags	3,078*	9,621*	1	.....	.....	.....
£	2,162*	6,463*	1	1	1	.....
TotalBags	402,175	409,059	427,776	367,091	413,631	331,378
£	337,933	357,701	390,058	398,379	451,957	300,767

* Chiefly from France.

Imports of Wheat into Jamaica

From	1934	1935	1936	1937	1938
CanadaLbs.	439,282	457,711	575,550	609,300	662,405
£	2,147	2,099	2,740	3,557	3,667
United StatesLbs.	2,640	2,556	2,425	2,790	3,335
£	31	29	28	34	39
Other countriesLbs.	1,211	848	.....	539	273
£	13	7	.....	3	2
TotalLbs.	443,133	461,115	577,975	612,629	666,013
£	2,191	2,135	2,768	3,594	3,708

There is no domestic production of either wheat or flour in Jamaica, and modern baking practice has not yet been developed, although the industry is a considerable one. In Kingston and some other important centres of population a few bakeries of moderate size operate and are fairly up to date in their methods, but the rest of the baking trade is mainly in the hands of Chinese. There are upwards of 250 bakeries in Jamaica, but the majority are small and are conducted in a more or less primitive fashion.

IMPORT TRADE

Wheat, as already noted, is a small, special trade, but flour is a staple food in large, universal, and constant demand. While estimates vary, it may be assumed that about 50 per cent of the flour imports consist of "counter" flour, so called because it is sold over the counter. This flour is inferior in protein and gluten content to baking grades and is not ordinarily used for baking. The smaller bakeries, however, use it for blending, and all bakeries use it for dusting. There is no precise definition of "counter flour"; in a broad sense, it is flour which ordinarily is unsuitable for baking. It is chiefly used for domestic purposes, i.e., for making dumplings, "Johnny cakes," "bullers," and some other bakery products to which popular taste is partial.

Australian flour is of "counter" type. So, largely, was British flour, but since war was declared no more supplies are expected to be had from Britain. Canada ships small quantities of "counter" flour. Of baking grades, the United Kingdom is, and long has been, practically the sole supplier, and there is no prospect of any change in this respect.

The Jamaican flour trade is carried on by a number of resident commission agents who take orders from wholesalers, but there are also some merchant houses that purchase large quantities direct from Canadian and Australian mills, for which, therefore, they act as distributors.

GOVERNMENT POLICIES

Since war was declared, flour agents and distributors in Jamaica have been placed under a food controller who has set up a department to take over distribution of all "counter" flour imported and has required importers to register with him their brands of such flour. So far baking flour has not been made subject to this form of control, but wholesale and retail prices of this type and also of "counter" grades are fixed by the food controller.

Import duties on flour and wheat are, respectively, under the British preferential tariff, 7s. per bag of 196 pounds and 1s. 6d. per 100 pounds, and, under the general tariff, 9s. per bag of 196 pounds and 2s. per 100 pounds. There is also a package tax, irrespective of country of origin, applicable to both flour and wheat; on the former it is at the rate of 6d. per 98 pounds and on the latter 2s. per bag or package not exceeding 4 cwt.

MARKET FOR FLOUR IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Port of Spain, October 3, 1939.—The British West Indies (Eastern Group) and British Guiana consist of six small islands lying in an extended arc from St. Kitts to Barbados and broadening then to include the four principal flour markets of Barbados, Grenada, Trinidad, and British Guiana. The total land area is approximately 93,346 square miles, with a population of about 1,333,302 inhabitants, of which 72 per cent are located in these four colonies.

The population is predominantly coloured, interspersed with East Indians in Trinidad and British Guiana, and consists largely of low-wage-earning manual labourers whose food requirements are simple. In the absence of any extensive cultivation of subsistence crops, the bulk of the requirements in food-stuffs is imported.

Flour to the value of \$4,405,791 in 1937 and \$3,616,704 in 1936 accounted for 22 per cent and 24 per cent respectively of the total value of provisions imported into the British West Indies (Eastern Group) and British Guiana in those years. Rice made up from 8 to 10 per cent of the imports.

Flour purchases by the public are in the form of penny loaves and other types of bread and pastry from the bakeries, as loose flour from small retail shops, or as hard biscuits manufactured by the local biscuit factories.

BAKERY TRADE

The bakeries, of which there are about six of fair size in each of the colonies of British Guiana, Trinidad, and Barbados, with a lesser number in the smaller islands, purchase between 50 and 75 per cent of the Canadian flour imported. High-grade Canadian bakers' second patent or export patent flour is used almost exclusively by this trade.

Pan bread of quality equal to that found in Canada is baked for the European population and for a small but increasing percentage of the coloured population, but the volume production is in small hearth loaves which can be retailed at one to two cents each. Hops yeast is used, although within the past two or three years compressed yeast has also begun to be accepted.

SHOP TRADE

Small shops, of which there are hundreds scattered throughout the territory, provide an important outlet for low-priced white flours purchased for household use in the preparation of pancakes, bakes, dumplings, and roti. Up to about 1928 Canadian soft wheat flour was commonly used in this trade, but during the past few years the English port mills, producing a blended white flour imported under the trade term of extras or supers at 40 cents to \$1 below the cost of Canadian bakers' and soft wheat flours, have been the principal source of supply. Occasional efforts have been made to introduce low-grade Canadian flour, but the colour was found to be too dark in comparison with the white flours from England to receive wide acceptance. The only recent serious challenge to the supremacy of English flour in this trade was in 1937 and 1938, when Australian flour was imported into Trinidad. Other markets were not affected because of the difficulty of meeting the minimum Australian shipping requirement of 750 tons. Imported at a price comparable to that of English extras, the quality of Australian flour was sufficiently acceptable to permit the wholesale merchants to dispose of it to the shopkeepers at a price premium.

Although English flour has been the main shop flour sold in the four large markets favoured with good shipping connections with the United Kingdom, the lack of similar connections with the smaller islands from Barbados north to St. Kitts has enabled Canadian millers to continue to be the exclusive suppliers to the latter area of both baking and shop flour, which is shipped in regular fortnightly cargoes from Canadian ports. Canadian bakers' flour is also sold in moderate quantities to the shop trade in the larger markets, and there has also been a limited sale of the low-grade flours from Canada when prices were favourable.

BISCUIT TRADE

In addition to being sold through the local shops as extras along with blended flours, soft wheat flour is required especially by the local biscuit

factories, of which there are two in each of the principal markets of Trinidad, Barbados, and British Guiana. The main product of these factories is hard unsweetened biscuits similar in type to the soda biscuits sold in Canada. Approximately 1,000 half-bags of flour per month are used by the two Trinidad factories. The flour consumption of the Barbados factories is unknown, but their total biscuit production amounts to approximately 3,000,000 pounds per annum. No figures are available respecting production in British Guiana. During the past few years English flour has been used for biscuit making, supplemented in certain instances by Ontario soft winter wheat flour, and, in the case of Barbados, by imports from France and the United States. This is possible in Barbados, as no duty is placed on flour used for this purpose although an excise tax is levied on the finished product.

IMPORTS

The annual import of flour into the British West Indies (Eastern Group) and British Guiana during recent years has averaged about 734,000 bags of 196 pounds. Canada supplied approximately 56.5 per cent of the imports, the remainder being obtained from sources indicated in the following table covering imports into the above-mentioned area from 1935 to 1937 inclusive:—

	1935	1936	1937
	Bags of 196 Pounds		
Total	734,214	750,000	717,871
Canada	354,193	459,330	434,383
United Kingdom	347,711	258,765	181,742
Other Empire countries	2,938	15,734	90,210
Foreign countries	29,372	16,171	11,536

During the past ten years flour imports have increased moderately, but, as will be noted from the following detailed figures, the quantities imported into any individual market have not shown any noteworthy increase:—

*Flour Imports Into the British West Indies (Eastern Group) and British Guiana .
According to Markets and Countries of Origin.*

TRINIDAD

	1934	1935	1936	1937	1938
	Bags of 196 Pounds				
Total	339,748	334,030	352,798	341,254	350,918
Canada	194,113	162,630	225,381	200,946	202,789
United Kingdom	137,221	167,461	113,311	58,249	49,172
Other Empire countries . . . . .	.....	213	13,956*	81,522*	80,189*
Foreign countries	8,414	3,726	150	537	18,768†
Percentage from Canada	57.1	48.6	63.6	58.8	57.7

* From Australia. † From the United States.

BARBADOS

	1934	1935	1936	1937	1938
	Bags of 196 Pounds				
Total	93,815	89,988	92,103	78,468	85,352
Canada	37,464	32,583	40,642	35,895	31,877
United Kingdom	43,886	35,032	37,178	30,606	45,431
Other Empire countries	25	36	53	3,532	856
United States	114	45	23	3,343	7,188
France	12,326	22,292	14,195	5,087	.....
Other foreign countries . . . . .	.....	.....	12	5	.....
Percentage from Canada	39.9	36.2	44.1	45.7	37.3

BRITISH GUIANA

	1934	1935	1936	1937	1938
	Bags of 196 Pounds				
Total	195,781	184,091	173,929	174,947	186,250
Canada	73,227	67,829	93,584	99,230	79,411
United Kingdom	119,107	114,375	79,944	74,774	101,566
Other Empire countries . . . . .	.....	387	.....	761	1,035
Foreign countries	2,947	1,500	401	182	4,238
Percentage from Canada	37.4	36.7	53.8	56.7	42.6

LEEWARD ISLANDS

	1934	1935	1936	1937	1938
	Bags of 196 Pounds				
Total	56,253	60,939	61,181	55,036	58,329
Canada	50,733	53,073	55,989	49,569	52,608
United Kingdom	4,479	4,741	2,361	1,807	1,739
Other Empire countries	422	2,302	1,444	1,311	2,151
Foreign countries	619	823	1,387	2,349	1,831
Percentage from Canada	90.1	87.8	91.5	90.0	90.1

GRENADA

	1934	1935	1936	1937	1938
	Bags of 196 Pounds				
Total	33,399	34,186	36,820	35,788	37,709
Canada	19,404	10,644	14,820	19,815	24,290
United Kingdom	13,472	23,176	21,794	13,776	9,763
Other Empire countries . . . . .	.....	.....	203	2,184	2,905
Foreign countries	523	366	3	13	751
Percentage from Canada	58.7	31.1	40.2	55.3	64.3

ST. VINCENT

	1934	1935	1936	1937	1938
	Bags of 196 Pounds				
Total	15,887	14,943	17,328	16,859	18,594
Canada	14,580	12,607	14,308	14,189	.....
United Kingdom	1,061	1,736	2,952	1,750	.....
Other Empire countries . . . . .	.....	.....	68	900	.....
Foreign countries	246	600	.....	20	.....
Percentage from Canada	91.7	84.3	82.5	84.1	.....

ST. LUCIA

	1934	1935	1936	1937	1938
	Bags of 196 Pounds				
Total	19,063	16,037	15,841	15,519	17,032
Canada	17,905	14,827	14,606	14,739	15,074
United Kingdom	1,146	1,190	1,225	780	1,935
Other Empire countries . . . . .	.....	.....	10	.....	23
Foreign countries	12	20	.....	.....	.....
Percentage from Canada	93.9	92.4	92.8	94.9	88.4

The foregoing figures show the predominant position in the import trade occupied by Trinidad, which accounts for about 45 per cent of the total imports into the territory, followed by British Guiana, Barbados and Grenada, in that order, and then by the lesser markets of the Windward and Leeward Islands.

TARIFFS

The paucity of imports of flour from non-Empire sources is due, of course, to the British preferential tariff. Preferential and general rates for the individual markets are as follows:—

	British Preferential Per 196 Lbs.	General Per 196 Lbs.
Trinidad	36 cts.	84 cts.
Barbados	3s. 9d.	5s. 9d.
	Surtax 10 per cent of duty	
British Guiana	\$1.00	\$1.39
	Surtax 25 per cent of duty, plus 3 per cent ad val. bill of entry tax	
St. Kitts	7s.	9s.
	Surtax 12½ per cent of duty	
Antigua	7s.	9s.
	Surtax 10 per cent of duty	
Montserrat	7s.	9s.
	Surtax 10 per cent of duty	
Dominica	8s. 4d.	12s. 6d.
St. Lucia	6s.	9s.
St. Vincent	5s.	7s. 6d.
Grenada	5s.	7s. 6d.
Virgin Islands	3s.	5s.
	Surtax 2 per cent of duty	
In packages of less than 50 lbs.	½d. per lb.	¾d. per lb.
	Surtax 2 per cent of duty	

COMMISSION AND TERMS OF TRADE

Flour is sold through local commission agents who canvass the bakeries, wholesale provision merchants and biscuit factories. The commission varies from 10 cents to 20 cents per 196-pound bag according to services rendered. Terms are usually 30 days sight D.O.A. with a ten-cent discount per 196 pounds for payment on sight, except in Trinidad where, in accordance with the local flour agreement between the Trinidad Provision Dealers' Association and Trinidad Commission Agents' Association, flour is sold at a net price for sight drafts; Trinidad c.i.f. quotations also include an allowance of 10 cents per 196 pounds, which is payable to the Provision Dealers' Association. Members of the association, which comprises all the leading merchants in Trinidad, are not permitted to purchase flour from any agent who is not signatory to this agreement.

OPPORTUNITY FOR INCREASED CANADIAN SALES

Under normal conditions any expansion of the sale of Canadian flour in this territory was dependent largely on the ability of Canadian millers to compete with English port mills in supplying a good white flour of fairly fine granulation for the counter trade. Under existing conditions, with reduced supplies from the United Kingdom and imports from the United States being handicapped by a high premium on United States currency as well as the general tariff rate, the logical source of supply is Canada. Consequently it is not unlikely that Canadian flour of all grades will find an increased market in the British West Indies, and an opportunity may be afforded Ontario soft winter wheat flour to again become established on these markets, provided it can be obtained at prices below that of hard wheat flour.

MARKET FOR WHEAT AND FLOUR IN CUBA

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(One kilogram equals 2.2045 pounds; one Cuban peso at par equals U.S.\$1)

WHEAT

Havana, October 19, 1939.—The market for wheat in Cuba is relatively unimportant. During the past five years the average volume imported was less than 60,000 bushels. The average in the past two years dropped to around 43,000 bushels.

IMPORTS

The following table shows the countries of origin and the total imports of wheat for the five-year period 1934-38:—

	United States	Argentina	Canada	Belgium	France	Other Countries	Totals
1934—							
Kilos	623,941	350,729	41,241	.....	.....	.....	1,015,911
\$	27,856	11,493	1,605	.....	.....	.....	40,954
1935—							
Kilos	187,158	1,284,321	.....	104,212	499,427	.....	2,075,118
\$	8,760	34,141	.....	3,505	10,734	.....	57,140
1936—							
Kilos	975,828	245,620	219	151,009	15,090	114,692*	1,502,458
\$	42,184	9,929	11	4,136	563	3,436	60,259
1937—							
Kilos	797,304	343,654	.....	4,600	.....	20,700†	1,166,258
\$	42,531	15,923	.....	346	.....	1,190	59,990
1938—							
Kilos	1,178,306	.....	.....	1,200	.....	.....	1,179,506
\$	44,100	.....	.....	75	.....	.....	44,175

* From Chile. † From Holland.

Although the United States has always been the principal supplier of wheat to Cuba, certain quantities are purchased from other wheat-producing countries, depending on crop conditions and, consequently, the prevailing price. So far as Canada's share in this trade is concerned, it cannot be said that the statistics given above are entirely accurate. As is the case with a considerable number of Canadian products consumed in Cuba, statistical credit is given to the United States, due to the fact that they are purchased in that country by Cuban importers from stocks maintained there for export purposes. In the ordinary course of trade, a considerable quantity of Canadian wheat is exported through United States ports. When such wheat is shipped from United States stocks rather than on a through bill of lading from a Canadian shipping point, it is credited to the United States in the Cuban import figures. Accordingly, Canada obtains a considerably larger share of this trade than is indicated by the foregoing figures.

However, in years of crop shortage, such as 1937-1938, when the price of Canadian wheat automatically rises considerably above that of the wheats of other supplying countries, there is practically no Canadian participation in the trade. Moreover, the supplying of Canadian wheat to Cuba in normal crop years from stocks held in the United States is, from the point of view of customs duty payable, of considerable value to the Cuban importer. Furthermore, the lack of any direct regular steamship service from any Canadian port to the Port of Havana tends also to throw this trade into the hands of United States firms.

USES OF WHEAT

Wheat is not milled into ordinary flour in Cuba, as there are no flour mills in this country. Its only use is for the manufacture of a cereal product called "gofio." For this purpose the bran is removed, and the wheat roasted and finally coarsely ground. Probably a certain amount of malt is also added. The product is used either as an addition to other cereals or in its normal form as a pap or porridge with the addition of milk and of sugar or some kind of syrup. Wheat gofio is a development of recent years, whereas maize gofio has been known in this country for centuries. Its largest consumption takes place during the months of the cool, or dry, season. It is sold in bulk containers of 100 pounds and in attractive cardboard packages containing about one kilogram (2.2 pounds). This latter retails at 12 cents.

For the manufacture of wheat gofio, No. 1 and No. 2 Northern grades of Canadian wheat are preferred, and when the price is right they are used. The manufacturer advertises the gofio as having been made from the best Canadian hard wheat. However, in recent years it is probable that considerably more Argentine and United States hard red winters have been used than Canadian, because of the generally higher price of the latter. Argentine and United States soft wheats, without too much bran, are also used in the mixture to a certain extent.

CUSTOMS DUTIES

The incentive to purchase wheat supplies in the United States will be apparent from the following summary of the customs duties payable on wheat imported into Cuba:—

Wheat, gross weight, per 100 kilograms: maximum tariff, \$0.80; minimum (general) tariff, \$0.40; United States preference, 20 per cent; tariff on United States wheat, \$0.32.

As shown, the United States has a preferential discount from the minimum (general) tariff rate. At the present time and until around April 1, 1940, the rate applicable to wheat imported direct from Canada is the minimum (general) tariff rate plus a customs surcharge of 25 per cent of the duty. Accordingly,

the rate per 100 kilograms payable on Canadian wheat is 50 cents as compared with 32 cents for wheat from the United States. The rate applicable to all other countries of origin shown in the import table is that of the minimum (general) tariff column, namely, 40 cents per 100 kilograms. Canada at the present time, therefore, is at a direct tariff disadvantage in comparison with all of the other supplying countries.

CONSULAR INVOICE FEES

The normal consular invoice fee payable on shipments to Cuba is 5 per cent of the f.o.b. steamer invoice value. However, the special rate to all countries with which Cuba has signed trade agreements is 2 per cent ad valorem. Such countries are the United States, the United Kingdom, Chile, France, Spain, Portugal, and Italy. The one exception to this is Canada, which, although not having a trade agreement with Cuba, was granted some years ago the special 2 per cent ad valorem rate. This rate, therefore, places Canada on an equal footing in this particular respect with the principal suppliers, the United States and Argentina.

SHIPPING ROUTES

The only direct regular steamship service operating between Canadian and Cuban ports is the Pickford and Black line from Halifax to Santiago de Cuba. There is no line calling at Havana. As the latter is the only point at which gofio is manufactured, all wheat must unload at that port. Consequently, any Canadian wheat imported would have to be transhipped at Boston or New York to the boats of those steamship lines which operate direct services from those ports to Havana.

Wheat is imported in carload lots of about 72,000 pounds, averaging 300 bags of 240 pounds each.

EXCHANGE REGULATIONS

There are no foreign exchange, customs clearance, or quota regulations at present in force in Cuba which in any way would affect adversely the sale of Canadian wheat in this country or, thereafter, the collection of any draft drawn upon the Cuban importing firm.

MARKET PROSPECTS FOR CANADIAN WHEAT

Lacking a direct steamship service to Havana, and being under a marked tariff disadvantage as compared with the United States, it is difficult to see how shipments of Canadian wheat direct from Canada can be increased. Since price is the controlling factor, it appears that under present conditions Canadian wheat can be landed in Cuba from United States stocks more cheaply than it can be imported direct from Canada. Accordingly, it appears advisable to continue sales through the present channels since, when price permits, the local manufacturers of gofio will ordinarily purchase the better grades of Canadian hard wheat.

FLOUR

The consumption of wheat flour in Cuba averages 1,000,000 bags of 200 pounds each per annum, and this market accordingly merits much more attention than Canadian flour exporters in general have given it up to the present time. No wheat is grown in Cuba, nor is wheat milled into flour, since there are no flour mills of any kind in the country. All the wheat flour consumed is imported. Canadian mills have participated in the trade in some years, but the United States is, and will likely continue to be, the principal supplier. This is due to two main reasons: first, the customs-tariff preference extended to United States flour, and second, the fact that the mills centred around Buffalo

have concentrated on supplying the exact type of hard wheat flour required by Cuban baking conditions.

CUSTOMS DUTIES AND CONSULAR INVOICE FEES

Whereas the tariff rates on United States flour are constant under the United States-Cuba Trade Agreement, those levied upon Canadian flour vary periodically in accordance with Cuban Law No. 14. When Canada in any calendar year buys from Cuba more than 50 per cent of what she has sold to Cuba, the minimum (general) tariff is applicable to Canadian products, including flour. When this percentage falls between 50 and 25 per cent, a surcharge of 25 per cent of the duty is made applicable to all Canadian products. When this percentage falls below 25 per cent, the maximum tariff rate, which is double the minimum rate, is levied.

From April, 1936, to April, 1938, the Cuban maximum tariff was applicable. For the twelve months following that period the minimum rate was in force. From April, 1939, to the present date, the minimum rate plus a surcharge of 25 per cent of the duty has been in force. The effect of these fluctuating rates on Canada's share of the Cuban flour trade will be quite apparent from a study of the import figures given below.

The present tariff rates per 100 kilograms (220 pounds), gross weight, levied upon wheat flour are: maximum tariff, \$2.60; minimum (general) tariff, \$1.30; tariff to the United States, \$0.91. The preference accorded to United States mills is in the form of a discount of 30 per cent based on the minimum (general) tariff rate. This discount, however, applies only to wheat flour milled in the United States from imported wheat. On wheat flour milled in the United States from wheat grown in that country the preferential discount is 40 per cent and the tariff rate applicable is, therefore, 78 cents per 100 kilograms, gross weight. This latter discount is in fact the only one which constitutes a tariff handicap to the sale in Cuba of Canadian hard wheat flour. By Item 311 of the United States tariff, the 30 per cent discount in the Cuban tariff applicable to wheat flour milled in the United States from imported wheat is nullified. The pertinent portion of this item is as follows:—

No flour, manufactured in a bonded manufacturing warehouse from wheat imported after ninety days after the date of the enactment of this Act, shall be withdrawn from such warehouse for exportation without payment of a duty on such imported wheat equal to any reduction in duty which by treaty will apply in respect of such flour in the country to which it is to be exported.

Accordingly, the sum saved in Cuban import duties on this type of flour must be repaid as an export tax to the United States Government. Therefore, to all intents and purposes Canadian hard wheat flour and United States hard wheat flour milled from Canadian wheat are exactly on the same tariff basis when entering Cuba. This applies, of course, only in those years when the Cuban minimum tariff rates are applicable generally to Canadian products.

In the case, however, of American flour milled from either hard or soft wheat grown in the United States, the preference of 40 per cent is absolute. This portion of the trade, which amounts to around 30 per cent of the total share of the United States, is entirely out of reach of any Canadian mill. The soft wheat flours are made from Kansas and Texas wheats and fulfil almost completely the demand for those flours not used for the manufacture of bread. A certain quantity of hard wheat flour manufactured by the Minnesota mills from hard red spring wheat grown in the United States also is accorded this 40 per cent preference. The remaining 70 per cent of the United States' share of the trade is flour milled in bond in the Buffalo district, almost wholly in normal crop years from imported Canadian hard wheat. Apart from being the most important section of the trade, it is the one in which Canadian mills

have an excellent chance of competing, since in actual practice the Buffalo mills have no tariff preference.

To all countries with which Cuba has signed a trade treaty a special consular invoice fee rate of 2 per cent has been granted. The ordinary rate is 5 per cent ad valorem. Canada is the one exception to this rule since, although no Cuban-Canadian trade treaty is in force, the 2 per cent rate upon Canadian products has been in effect for some years. The other countries enjoying the rate of 2 per cent are the United States, United Kingdom, France, Spain, Portugal, Italy and Chile.

IMPORTS

The following table shows imports of flour into Cuba, together with the countries of origin, during the calendar years 1934 to 1938:—

	United States	Canada	Chile	France	United Kingdom	Other Countries	Total
1934—							
Kilos	80,080,198	3,594,308	205,700	20,160	.....	146,407	84,046,773
\$	4,015,499	160,092	7,064	500	.....	5,043	4,188,198
1935—							
Kilos	89,906,401	960,271	2,274	95,755	397,621	23,140	91,385,462
\$	5,016,617	44,089	96	2,770	14,785	716	5,079,073
1936—							
Kilos	88,817,149	22,794	9,867	104,443	168,518	.....	89,122,771
\$	5,251,230	1,123	564	4,103	7,162	.....	5,264,182
1937—							
Kilos	93,879,772	.....	.....	.....	.....	34,990*	93,914,762
\$	6,226,458	.....	.....	.....	.....	3,612†	6,230,070
1938—							
Kilos	91,124,687	111,336	.....	.....	.....	611	91,236,634
\$	5,383,067	4,525	.....	.....	.....	50	5,387,642

* From Mexico. † From Hongkong.

The effect of the Cuban-United States Trade Agreement of 1934 is reflected in the above figures. In the years succeeding its coming into force, almost all sources of supply were dropped in favour of the United States. This was due partly to the tariff preferences accorded to millers in that country and partly to Cuban labour legislation which, by prohibiting night labour, made essential the provision of a special type of flour. Only the Buffalo mills have up to date supplied the exact type of hard wheat flour required in Cuba, and they have accordingly obtained a practical monopoly of the trade. Considerable efforts have been made by Canadian mills to produce exactly the type of flour required in Cuba but, although sales have been made during those periods when the minimum tariff was applicable, it has been found impossible because of these tariff fluctuations to build up a constant trade in this country.

CANADA'S POSITION

Canada's share of this trade has in recent years almost entirely disappeared. The imposition of the Cuban maximum tariff during the years 1936 and 1937 made Canadian flour sales impossible. When the minimum tariff was again imposed in April, 1938, Canadian mills could not offer flour because of the 1937 crop shortage. However, around October, 1938, this trade began to revive slightly when supplies from the 1938 crop became available. This revived business was again getting under way when a surcharge of 25 per cent of the duty was placed on all Canadian products in April, 1939, which again killed it. Because of considerably larger Canadian purchases of Cuban raw sugar this year, it is possible that the 25 per cent surcharge will be removed by April, 1940. Thereafter, Canadian mills will have a much better opportunity of regaining a portion of this trade.

Although when the minimum tariff is in force on Canadian flour the latter can compete with the Buffalo mills, no such competition is possible with the Minnesota flours, which are milled from United States hard spring wheat.

These enjoy the full 40 per cent preferential discount. Fortunately, however, they obtain only a small share of the market, as none so far has been considered suitable for Cuban baking requirements. Nevertheless, determined efforts are being made by these mills to perfect a type of flour which will be found generally acceptable, and should they be successful they will likely supplant the Buffalo mills as sources of supply because of the 40 per cent preferential duty discount. Minnesota flours are, however, handicapped by higher price and, except in years when flour subsidies are offered by the United States Government, little Minnesota flour can be sold. Ruling prices today per 200-pound bag c.i.f. Havana are: Buffalo, \$5.20; and Minnesota, \$5.85. The discount is insufficient to make Minnesota flour attractive to the Cuban baker.

Following is a summary of the total imports of flour into Cuba during 1938, in bags of 200 pounds net, showing the principal millers and the leading brands:—

Milling Company	Brand	Bags
International Milling Co.	"Goldrim"	168,692
Pillsbury Flour Mills	"Rey del Norte"	166,482
Russell Milling Co.	"Corazón de Oro"	102,136
Washburn Crosby	"Gold Medal"	120,147
Olavarria y Cia.	2 house brands	84,813
Galbán Lobo & Co.		
Sperry Mills		41,380
Maple Leaf Mills		6,771
Western Canada Milling Co.		1,500
Approximately 70 others		342,545
Total		1,034,466

DISTRIBUTION CENTRES

New York is the port of shipment for about 70 per cent and New Orleans for the remaining 30 per cent of the flour of all types imported into this country. About two-thirds of the total enters through the port of Havana, which is the principal distribution centre in the island. The next import centre of importance is Santiago de Cuba, followed by Cienfuegos, Caibarién, and Nuevitás.

With respect to the various factors which necessitated the provision of a special hard wheat flour for Cuba, Mr. E. L. McColl, Canadian Trade Commissioner at Havana up to March, 1937, submitted a report which was published in the *Commercial Intelligence Journal* No. 1620 (February 16, 1935), entitled "Baking Practice and Wheat Flour Consumption in Cuba". Compiled from personal experience of baking methods gained in Cuban bakeries, the information contained therein is of marked value and for consolidation purposes various extracts therefrom are quoted below verbatim:—

Obstacles to Trade

Very little of the Cuban flour trade is obtained by Canadian millers, and for this there are several reasons. On account of the tariff preference, 30 per cent of the market is placed beyond their reach. With respect to the remaining 70 per cent, some mills are eliminated from any possibility of securing orders because they are situated too far from the port of New York, or, being small concerns, they cannot compete with the more powerful units. Some Canadian mills are obtaining business, but only a small fraction is being sold of the quantity that should be disposed of. Many mills have a high-grade product to offer at a competitive price, but so far they have not been able to satisfy the requirements of the Cuban baker. The solution of the major part of the problem will probably be found in a better understanding of Cuban baking practice. A scientific study may show that bakers in the republic require a flour with a fermentation tolerance, a greater gassing power, and more food and stimulant for the yeast, within the flour itself, than is generally furnished by mills in other markets.

Baker's Premises in Cuba and His Equipment

The Cuban baker does not possess the technical knowledge and equipment of the Canadian baker. The hearth method of baking bread is employed more than any other

system, the pieces of dough being put into the oven on a long-handled peel. They are not in pans, but rest on the floor of the hearth with their sides unsupported except by the structural strength of the dough itself. The roof of the hearth is dome-shaped, having an altitude of from 4 to 5 feet. With few exceptions, there are no ovens in Cuba of Canadian or United States pattern; all of them are built up of brick according to local design and to suit the republic's characteristic bread. The height of the dome referred to prevents the hot sides and roof from causing a sharp, quick bake, although the temperature may be as high as 450° F. The bread remains in the oven from forty-five minutes to an hour and a quarter, according to the temperature, the unusual height of the oven effecting a sort of drying-out process. The majority of ovens are on a system which is called direct heating, as they are fired inside with wood, the master baker counting out the number of sticks to be used according to the quantity of bread to be baked. When the batch is ready for the oven, the red-hot cinders are banked up against the back and sides of the oven. Many of the bakers believe that the burning of wood imparts a desirable taste and fragrance to the bread. There are sometimes as many as three bakings to one firing. The first dough remains in the oven about forty-five minutes, the second a little under an hour, and the third set perhaps an hour and fifteen minutes if the temperature has dropped to 275° or 300° F. The temperatures here given are elastic estimates; with few exceptions, there are no thermometers, temperature alarm signals, hydrometers, or acid-testers on the premises of any Cuban baker, nor is there any steam or air-conditioning equipment either for the oven, the dough-room, or the proofing-chamber. The master baker, however, is by practice proficient in judging the heat of the oven or of the dough in the mixer. His only machines are a mixer, a dough brake, a set of scales, and a divider.

The dough shapes are put on boards which are covered with a cotton cloth. These dough shapes are in turn covered with a cloth to prevent the dough from drying or crusting. The boards are then put on pegs which project from the wall, forming shelves, six to eight in number, one above the other. The bakery consists of three sections: first, the retail shop; second, the storeroom; and third, the mixing-, proofing-, and baking-room, all in one. Owing to the proximity of the oven to the large general service room, the temperature is several degrees above that of the outside air.

The height of the oven, as described, differs from that of ovens in use in Canada in that the latter have a low roof in order to produce a sharper and quicker bake, thereby restricting the loss in moisture to 2 ounces in 18. In Cuba, on the other hand, a 21-ounce piece of dough is employed to produce a 16-ounce loaf. Under this island's system, therefore, the loss is 5 ounces as against 2 ounces in Canada for the same amount of bread produced. About 1 per cent of the ovens are low. Some of these are slightly arched or concave, being 12 inches high at the sides to 18 inches at the centre; others have a flat ceiling some 2 feet above the oven floor at the sides and at the centre.

Kind of Bread in Demand

Bread in Cuba is judged by the crust and not the crumb. This taste differs from that which obtains in Canada, and consequently the two systems of fermentation and baking differ. To produce the desired loaf, fermentation is prolonged until the required state of acidity is reached. There are exceptions to this Cuban practice, but they are made to satisfy the foreign resident, and in the aggregate will not exceed one-tenth of one per cent of the total bread consumed on the island. Only the sponge and dough method is followed in Cuba, the straight dough system being entirely excluded. Owing to the acidity present in dough, "rope", a bread disease sometimes met with in North America, has never been known to occur in Cuba, and this despite the hot, humid climate and the conditions under which much of the bread is manufactured.

Few Cuban housewives have much to do with the kitchen, and in the main they know very little about an oven or about baking. No bread is baked in the home. Consequently, the baker has little competition in the form of high-grade home-made bread or pastry. The fact that the Cuban baker is not faced with competition from the housewife may be one of the reasons why scientific exactness does not appeal to him, necessitating an additional expense for instruments. Competition does not force him to look about for ways of making a more attractive product, and he is conservative in his instincts.

The shortest recommended time in Cuba for the fermentation of the sponge is from five and a half to six hours, with one per cent of yeast and an additional proofing fermentation of the finished sponge and dough of four hours. In Havana the total time from first mixing the dough to the withdrawal of the loaves from the oven is from eleven to twelve hours. In some other cities the process takes some hours longer than this. If a shorter fermentation time is employed, the characteristics of the bread in demand cannot be produced. As the public prefers the bread hot, batches are made four times a day. The bread is taken from the oven directly to the shop counter or to the delivery wagon, where it cools in the open air. No system of controlled cooling of bread is practised in Cuba.

The formula of a large number of bakers averages per 100 pounds of flour as follows:—

Sponge		Ingredients	Dough
50 pounds		Flour	50 pounds
30 pounds		Water	30 pounds
8 ounces		Yeast	10 ounces
		Salt	22 ounces
		Lard	7½ ounces

In many cases no lard is used, and only very rarely is an improver of any sort made use of. Sugar is seldom added to the batch.

Cuban Water

Cuban drinking waters are very hard, and those employed by bakers are taken from the tap or well without treatment. The city water of Havana contains 19·450 grains per United States gallon of mineral salts, 12·835 grains of which is carbonate of lime. Sulphate of lime, carbonate of magnesia, and sodium and potassium chlorides make up the remainder. The water of the town of Cardenas contains 33 grains per United States gallon of mineral salts, while the average of ten cities is 20 grains. A detailed analysis of these waters may be obtained if desired by any Canadian firm from the Canadian Trade Commissioner in Cuba.

Other Factors

There are many factors at work in Cuba which make it impossible to produce a standard product. The Cuban bakery is a small establishment of from two to fifteen bags of flour consumption a day, and there are very few of the latter size. As has been stated, no thermometers or other instruments are in use. Exact weights are taken only when the dough is to be divided, at which point the bread pieces are scaled. Previously, the dough ingredients are measured in what might appear to be a haphazard manner. A tin can supposed to hold 5 litres is used for liquids, and a box of uncertain capacity is employed to measure the flour. No care is taken to have these measures filled level. The water differs in mineral content from place to place; the length of time employed for fermentation varies from town to town. Another factor which works against standardization is the fact that few proprietors are themselves bakers. The owner of the business generally employs a practical baker whose formula and method he accepts. The efficiency of the practical bakers appears to vary from day to day, yet they never seem to make a mistake.

Wide Fermentation Tolerance Required

At first glance it would appear as if hard red spring Canadian wheat flour could not fail to satisfy all requirements. It is not critical in fermentation and will make excellent bread over a wide variation in all the factors which develop gluten. The fact remains, nevertheless, that some Canadian mills which offer a first-class flour cannot, in spite of much effort, furnish a product with which Cuban bakers can make their bread. It may be that yeast food and yeast stimulant should be added in Canada to the flour in sufficient quantity, as flour improvers, including malt, are not used in Cuba.

TYPE OF FLOUR IN DEMAND

Certain labour legislation, previously mentioned, has had a distinct bearing on the type of flour now used in Cuba. This legislation prohibited bakers from working between the hours of 9 p.m. and 4 a.m. It was therefore necessary to complete the preparation of the dough by 9 p.m. and to leave it for a period of seven hours before it could be placed in the ovens. Consequently, slow fermentation is essential, since bread that rises too quickly will have fallen before it can be baked. Another point in the local demand is that a large-sized loaf is much more easily sold than a smaller loaf of equal weight. Cuban bread generally is very light and spongy, is highly aerated, has little or no substance, and, when eaten, gives one the impression of eating solidified foam. It slices badly, seems to be much drier than the bread used in Canada, and has practically no crumb.

A considerable number of experiments have been carried out, not only by some of the principal Canadian flour-milling companies but also by the Chief Chemist of the Grain Research Laboratory of the Board of Grain Commissioners at Winnipeg, to determine the exact type of flour now being shipped to this country by the chief Buffalo mills. In his report upon the large number of experiments made with samples of the flour used in Cuba, the Chief Chemist

stated that any flour to be successful in Cuba must be a minimum of 95 per cent patent flour of a minimum 14 per cent protein content, containing approximately 0.004 per cent potassium bromate plus sufficient malted wheat flour, if necessary, to bring the diastatic activity to approximately 250 units.

EXCHANGE, QUOTA, OR CLEARING REGULATIONS

No import quotas have been established nor are there any clearing regulations of any kind in force. Likewise, there are no foreign exchange control regulations which would in any way affect adversely the sale of flour in this market or the collection of drafts drawn upon importers.

FUTURE PROSPECTS

Sales of Canadian flour in Cuba depend chiefly upon two main factors: Primarily, Canadian mills must supply exactly the right type of flour required by the Cuban baker. Although Cuban baking practice may be considered antiquated, there is not the slightest hope of changing it to suit the ordinary types of Canadian hard wheat flour. Unless Canadian mills are prepared to offer the treated flour required in this country, they will find it impossible to sell here. Moreover, such flour must be correctly mixed from the beginning. Inexpertly mixed flours sold to the Cuban baker for experimental purposes will do any new brand immeasurable harm. Canadian millers must obtain the right type of flour through experiments conducted in their own control bakeries rather than by attempting to gain experience of what exactly is required by the Cuban baker's failure to obtain results from the use of the new flour. Moreover, a price thoroughly competitive with that of the principal Buffalo mills must be offered. Some concession in this respect must be granted at the beginning to arouse any interest in a new brand.

The essential for successful competition is equivalent tariff treatment. As long as the 25 per cent customs surcharge upon Canadian products is in force it will be quite impossible to sell in this market. Moreover, annual variation in tariff treatment makes it impossible to establish a new brand solidly. This factor can be eliminated only by establishing conditions of trade between the two countries which will ensure that Canadian purchases of Cuban products during any calendar year will amount, according to Cuban official statistics, to at least 50 per cent of Canada's sales to Cuba.

FOREIGN TRADE OF BRAZIL IN 1938

L. S. GLASS, CANADIAN TRADE COMMISSIONER

[Unless otherwise indicated, quantities are in metric tons. One metric ton equals 2,204 pounds; one conto (1,000 milreis) was approximately equal to \$56.76 or one milreis to 5.676 cents during 1938.]

Rio de Janeiro, October 2, 1939.—Brazil experienced the lowest favourable balance of trade in her history in 1938. However, as the low balance of trade was partly due to lower prices for export commodities and as the volume of exports was somewhat larger, there was actually an improvement in the general situation. Like export values, import values declined. Continuance of the latter trend or maintenance of import values at the existing lower level may lead to better conditions in the near future.

The following table shows the volume of Brazilian imports and exports in metric tons for the years 1932 to 1938 inclusive:—

	Imports M. Tons	Exports M. Tons
1932	3,254,398	1,632,265
1933	3,837,526	1,910,772
1934	3,845,718	2,184,782
1935	4,229,305	2,761,517
1936	4,467,630	3,108,727
1937	5,099,880	3,296,345
1938	4,913,170	3,933,870

It will be noted that import tonnage in 1938 decreased by slightly over 186,000 tons or 3.6 per cent as compared with 1937, while export tonnage rose by over 697,000 tons or 21.1 per cent.

The milreis value per ton of exports underwent a further decrease in 1938 from 1,545 milreis to 1,295 milreis. Dollar values of exports likewise decreased and reached the lowest point for the last seven years at \$75 per ton, a drop of 28.5 per cent. Average prices of exports per ton in milreis and dollars for the past seven years have been as follows:—

Years	Average Price per Ton	
	Milreis	Dollars
1932	1,454	109
1933	1,476	117
1934	1,583	131
1935	1,486	98
1936	1,575	103
1937	1,545	105
1938	1,295	75

Import values in terms of Brazilian currency increased slightly in 1938 to 1,038 milreis from 1,019 milreis in 1937. On the other hand values in dollars decreased by 6.3 per cent from \$63 to \$59.

The total value of Brazil's foreign trade suffered a considerable decrease from 10,406,610 contos (\$678,118,000) in 1937 to 10,287,629 contos (\$590,947,000) in 1938, that is, nearly 13 per cent in dollars and nearly 12 per cent in milreis. Exports were valued at \$295,558,000, a decline of just over \$52,000,000 or 15 per cent as compared with 1937, when the total value was \$347,564,000. Imports likewise fell in value from \$330,554,000 in 1937 to \$295,389,000 in 1938, a drop of \$35,000,000 or slightly over 10 per cent.

BALANCE OF TRADE

As compared with 1937 there was a slight decline in 1938 in Brazil's adverse balance of trade in terms of milreis. On the other hand, the favourable balance of trade in terms of foreign currencies fell severely. As against a favourable balance in 1937 of £1,922,000 gold, which was considered drastically low, there was a balance of only £28,759 gold in 1938.

The following table shows Brazil's balance of trade in terms of milreis and of gold pounds for the years 1930 to 1938, inclusive:—

Years	Contos	Gold Pounds
1930	563,649	12,127,414
1931	1,517,230	20,788,172
1932	1,018,071	14,885,297
1933	655,017	7,658,169
1934	956,221	9,772,305
1935	248,091	5,580,734
1936	626,768	9,003,523
1937	222,492	1,922,254
1938	98,680	28,759

EXPORTS

As from 1938 the classification of export statistics is similar to that of imports, namely: class I, live animals; class II, primary products; class III, foodstuffs; class IV, manufactured goods.

Class I is of little interest. In 1938 exports amounted to 1,393 head valued at 271 contos (\$15,000).

Under primary products, although tonnage increased from 1,412,000 to 1,550,000 tons, the value of exports decreased from 2,077,187 contos (\$129,250,000) to 1,910,585 contos (\$108,400,000). Of the twenty-one products and groups of products making up this class, there were decreases in the exports of fifteen and increases in value in those of six. The increases occurred in the case of carnauba wax, timber, vegetable oils, other vegetable products, minerals, and raw wool.

Exports of foodstuffs increased in tonnage from 1,874,000 tons to 2,371,000 tons. The value in Brazilian currency increased from 2,989,500 to 3,167,994 contos, but the dollar value decreased from \$185,900,000 to \$179,955,000. Raw coffee value rose from 2,159,431 contos to 2,296,110 contos, but suffered a decline in dollars from \$134,350,000 to \$130,200,000. Perhaps of even greater importance, however, was the increase of nearly 50 per cent in coffee export tonnage from 12,122,809 sacks of 60 kilos to 17,122,524 sacks, showing indubitably that Brazil has gone a considerable way towards regaining the position previously held on the world's market. Exports of rice increased from 20,065 contos (\$1,285,000) to 39,162 contos (\$2,220,000); corn from 5,769 contos (\$359,000) to 44,933 contos (\$2,550,000); corned beef from 5,808 contos (\$361,000) to 62,931 contos (\$3,570,000); bran from 46,018 contos (\$2,873,000) to 54,702 contos (\$3,105,000). These represent the most important increases registered, of which there were thirteen in the twenty-two items which make up this category. Under decreases, exports of shelled Brazil nuts decreased in value from 32,016 contos (\$1,950,000) to 23,772 contos (\$1,534,000); those of oranges, while increasing in quantity, decreased in value from 123,290 contos (\$7,670,000) to 112,472 contos (\$7,079,000). Exports of raw cocoa likewise rose in tonnage, but dropped in value from 229,209 contos (\$14,270,000) to 212,996 contos (\$12,053,000). Chilled beef exports decreased both in tonnage and value, the value dropping from 96,251 contos (\$5,995,000) to 88,094 contos (\$5,029,000).

Manufactured goods as yet form only a minute part of Brazil's exports and decreased in value from 25,202 contos (\$1,570,000) to 18,040 contos (\$1,240,000).

IMPORTS

The values of imports of primary products and foodstuffs decreased, while those of live animals and manufactured goods increased.

Imports of live animals rose from 6,933 to 66,458 head valued at 6,081 contos (\$378,600) and 21,254 contos (\$1,205,000) respectively.

Eighteen groups made up the total under primary products, imports of which decreased in value from 1,560,542 contos (\$97,450,000) to 1,496,232 contos (\$84,930,000). Imports of seven were higher in value and those of eleven lower. The most important increases were in cellulose acetate from 10,953 contos (\$682,000) in 1937 to 25,922 contos (\$1,703,000) in 1938 and in briquettes and coal from 233,859 contos (\$14,540,000) to 263,056 contos (\$14,560,000). Fuel oil imports increased from 536,780 tons valued at 89,000 contos (\$5,540,000) to 632,124 tons valued at 111,892 contos (\$6,341,000). Imports of lubricants increased in value from 47,146 contos (\$2,937,000) to 53,142 contos (\$3,012,000), although a slight decrease occurred in volume. Imports of wood-pulp for the manufacture of paper decreased in quantity from 99,973 tons to 80,988 tons, the milreis value increasing from 87,409 contos to 94,191 contos and the dollar value falling slightly from \$5,440,000 to \$5,341,000. The most important decreases in imports were the following: copper, both in quantity and value, the latter from 58,021 contos (\$3,614,000) to 43,746 contos (\$2,483,000); iron and steel from 173,126 contos (\$10,780,000) to 143,-

660 contos (\$8,151,000); gasolene from 185,131 contos (\$11,520,000) to 172,638 contos (\$9,795,000), although increasing slightly in quantity.

Total imports under the heading of foodstuffs increased from 1,057,000 tons in 1937 to 1,164,000 tons in 1938. In value, however, there was a decrease from 947,728 contos (\$58,980,000) to 817,663 contos (\$46,375,000). Nine groups make up this class and imports in three only showed value increases: olive oil from 25,380 contos (\$1,578,000) to 43,989 contos (\$2,494,000); malt from 22,022 contos (\$1,370,000) to 25,771 contos (\$1,462,000); fruit from 55,071 contos to 58,317 contos. In the case of fruit, however, dollar values dropped from \$3,423,000 to \$3,310,000. Imports of dried codfish fell in quantity from 21,080 tons in 1937 to 15,347 tons in 1938 and in value from 51,308 contos (\$3,192,000) to 40,211 contos (\$2,281,000). Wheat flour imports decreased in value from 40,260 contos (\$2,508,000) to 33,632 contos (\$1,909,000), although the tonnage rose from 41,307 to 42,982 tons. The greatest decrease in value occurred in imports of wheat. In 1937 these amounted to 930,818 tons valued at 688,359 contos (\$42,740,000). In 1938 the quantity rose to 1,037,160 tons but the value fell to 536,493 contos (\$30,450,000).

Imports in seven out of the thirteen categories under manufactured articles showed increases in value. Imports of manufactures of cotton rose in value from 7,937 contos (\$493,900) to 12,033 contos (\$681,400); vehicles and accessories from 252,716 contos (\$15,725,000) to 307,054 contos (\$17,410,000); machines and tools from 953,635 contos to 1,104,196 contos. In the latter case again, however, dollar values showed a decrease from \$59,350,000 to \$58,600,000. The value of imports of cotton textiles declined from 15,279 contos (\$951,000) to 9,906 contos (\$562,000). Automobile imports decreased from 267,071 contos (\$16,560,000) to 244,881 contos (\$13,799,000). Manufactured goods of iron and steel accounted for the greatest share of the decrease in value of the imports in this class, purchases being valued at 377,354 contos (\$23,420,000) in 1938 as against 503,068 contos (\$28,560,000) in 1937.

NATIONS TRADING WITH BRAZIL

The order of importance of the various nations trading with Brazil underwent little change in 1938 as compared with previous years. Among supplying countries, Germany and the United States were first and second, and Argentina third, followed by Great Britain, Belgium and France. Canada continued to occupy tenth place, while Italy superseded Japan to take eighth.

Among purchasing countries the United States, Germany and Great Britain continued to occupy the first three places and France moved up from fifth in 1937 to fourth. Canada continued to be Brazil's eleventh best customer.

TRADE WITH CANADA

Both exports from Canada to Brazil and Canadian imports from Brazil showed a marked decrease in value in 1938 as compared with 1937. Canadian exports to Brazil decreased in value from \$4,754,104 to \$3,785,336, according to Brazilian trade returns. Of the twenty-nine commodities which make up the bulk of Canada's shipments, imports into Brazil of eighteen showed decreases and those of eleven increases.

Among eighteen of the commodities forming the bulk of imports from Canada into Brazil, there was a general increase in three, but a decline in Canadian shipments. On the other hand Canadian exporters increased their sales to Brazil in the case of five out of fifteen items in which there was a general decline in Brazilian purchases.

Of the most important items in Canada's sales to Brazil, imports into Brazil from Canada of sewing machines decreased in value from \$2,099,619 to \$1,525,456, tires and inner tubes from \$854,122 to \$804,099, and raw lead

from \$473,917 to \$278,517. Other decreases were registered in imports of raw copper, wood-pulp, rubber belting, porcelain insulators, ploughs, wheat flour, codfish, and malt. Increases occurred in imports of raw zinc, wallboard, raw aluminium, rubber hose, insulated copper wire, electric cables, iron tubes and pipes, electric meters, dynamos, paper n.o.p., and in imports of apples, which rose in value from \$12,927 to \$107,817.

Total Brazilian exports to Canada decreased from \$916,000 to \$909,000. Of the ten commodities which make up over 90 per cent of the total, exports of seven declined. The increases were in exports of coffee, which increased in value from \$439,000 to \$493,000; unshelled nuts, from \$6,240 to \$21,900; and matte, from nil to \$10. Decreases in exports occurred in iron ore, cotton residues, unshelled rice, raw cocoa, oranges, timber, cocoa butter, carnauba wax, hides and skins.

TRADE WITH THE UNITED STATES

Imports from the United States to Brazil decreased in value from \$76,107,000 to \$71,508,000 and in quantity from 703,376 tons to 672,246 tons.

Imports of agricultural machinery rose in value from \$91,190 to \$314,639, largely due to increased tractor imports. Barbed wire imports increased in value from \$437,000 to \$703,000, and those of tools and implements from \$33,000 to \$266,000. There was a slight increase in the value of refrigerators imported from \$1,216,000 to \$1,236,000, but the quantity declined from 1,469 tons to 1,384 tons. Imports of machinery for electric light production increased in value from \$63,000 to \$155,000 and of sewing machines from \$274,000 to \$319,000. Mineral fuel oil imports advanced from \$231,000 to \$1,006,000, tonnage rising from 18,164 to 57,755 tons.

The most important decreases in values of imports from the United States were: wire n.o.p., from \$696,000 in 1937 to \$387,000 in 1938; tinplate, from \$3,633,000 to \$1,820,000; rails, from \$1,245,000 to \$959,000; iron and steel tubes and pipes, in which Canada successfully obtained an increase, from \$620,000 to \$486,000; radio apparatus, from \$1,976,000 to \$1,319,000; gasoline, from \$3,943,000 to \$3,416,000; kerosene, from \$3,016,000 to \$1,971,000. Imports of wheat flour, apples, pears, motor car chassis, motor cars and trucks and accessories, coal, cement, silk yarn, paper, and paints also decreased in value.

Imports into the United States from Brazil, which amounted in 1937 to 840,257 tons valued at \$116,490,000, fell off to \$99,180,000 in value but rose in quantity to 869,253 tons. Imports of each of the ten commodities comprising the bulk of the trade decreased in value. The most important declines were: coffee, from \$74,200,000 to \$63,690,000; hides and skins, from \$2,184,000 to \$568,000; raw cotton, from \$664,000 to \$10,000; goat and sheep skins, from \$3,979,000 to \$1,971,000. Volume increases occurred in shipments of coffee from 6,590 tons to 9,078 tons and in Brazil nuts from 5,682 tons to 9,493 tons.

TRADE WITH GREAT BRITAIN

The marked gain in imports from the United Kingdom into Brazil during 1937 was lost in 1938, the total value of imports from the United Kingdom declining from \$39,935,000 to \$30,658,000. The volume also decreased from 827,000 tons to 713,000 tons. Of the thirty-six items which make up the major part of the imports from the United Kingdom, ten showed increases in volume and only seven in value. The increases in value were registered in the following imports: cotton yarn, from \$1,709,000 to \$1,742,000; thread for sewing, from \$108,000 to \$132,000; wood-pulp, from \$125,000 to \$355,000; silk yarn, from \$1,334 to \$3,812; spinning and weaving machinery, from \$386,000 to \$1,779,000; materials and supplies for such machinery, from \$386,000 to \$392,000; codfish, from \$5,342 to \$775,000.

There were exceptionally heavy decreases in the value and volume of imports of coal, which fell in value from \$4,570,000 in 1937 to \$118,000 in 1938, and of railway cars and wagons, which declined from \$1,266,000 to \$331,000. Other important decreases in import values were: pig lead, from \$86,000 to \$36,000; tin, from \$630,000 to \$364,000; copper plates and sheets, from \$461,000 to \$177,000; wool yarn, from \$291,000 to \$148,000; aluminium, from \$125,000 to \$68,000; cement, from \$130,000 to \$52,000; rubber tires and tubes, from \$539,000 to \$456,000; tinplate, from \$1,129,000 to \$363,000; iron and steel tubes and pipe, from \$632,000 to \$376,000; hoes and shovels, from \$949,000 to \$406,000; and machinery for electric light, from \$238,000 to \$53,000.

In connection with the trade of the United Kingdom with Brazil it is of interest to note that most of the decreases suffered by Canadian trade were reflected in the decreases of the trade with the United Kingdom.

There was a slight decrease in the value of Brazilian exports to the United Kingdom from \$26,125,000 in 1937 to \$25,340,000 in 1938. The volume also decreased from 472,000 tons to 424,000 tons. Thirteen commodities make up the bulk of this trade and in one only was there an increase. Exports of carnauba wax were valued at \$1,119,000 as against \$1,046,000 in 1937. Decreases occurred in exports of cocoa beans, cocoa butter, coffee, hides and skins, raw cotton (which decreased from \$11,710,000 to \$9,545,000), raw rubber, Brazil nuts, oranges, leaf tobacco, timber, hides and skins, and matte.

TRADE WITH GERMANY

Brazilian imports from Germany decreased in 1938 in volume and value from 1,187,000 tons valued at \$78,954,000 in 1937 to 1,085,000 tons valued at \$73,809,000. Of the thirty-seven commodities making up the bulk of the business, imports of thirty-one decreased in value and those of six increased. The increases in import values were: hops, from nil in 1937 to \$277,000 in 1938; hides and skins, from \$24,000 to \$37,000; rubber manufactures n.o.p., from \$25,000 to \$44,000; tinplate, from \$2,142,000 to \$2,620,000; machinery for electric light, from \$43,000 to \$51,000; pharmaceutical products, from \$270,000 to \$345,000. The greatest decreases were: copper plates and sheets, from \$875,000 to \$451,000; iron and steel, from \$1,267,000 to \$1,063,000; wool yarn, from \$1,405,000 to \$525,000; malt, from \$248,000 to \$136,000; coal, from \$6,652,000 to \$338,000; barbed wire, from \$1,297,000 to \$847,000; other wire, from \$1,819,000 to \$1,165,000. Other decreases occurred in the import values of wood-pulp, cement, silk yarn, rayon thread, cotton piece-goods, rubber boots and shoes, rubber tires, motor cars and accessories, bicycles, cutlery, locks, hoes and shovels, abrasives, dynamos, sewing machines, paper, toys and motor car chassis.

Exports from Brazil to Germany showed a small increase in value from \$54,890,000 to \$55,080,000, and in volume from 434,000 tons to 723,000 tons. Germany imports thirteen main commodities from Brazil and exports of four of these from Brazil increased in value and volume. They were: raw cocoa, from \$341,000 to \$2,319,800; coffee, from \$15,350,000 to \$15,410,000; Brazil nuts, from \$360,000 to \$450,000; and oranges, from \$256,000 to \$721,000. Decreases in value occurred in exports to Germany of cocoa butter, hides and skins, raw cotton, raw rubber, carnauba wax, leaf tobacco, timber, matte; while exports of sheep and goat skins remained unchanged.

TRADE WITH JAPAN

Imports into Brazil from Japan in 1938 decreased in value from \$5,277,000 in 1937 to \$3,892,000, although the volume rose from 21,000 tons to 25,000 tons. Brazil imports fourteen major commodities from Japan and in all but five

imports declined. The increases were registered in imports of manufactures of celluloid, silk yarn, porcelain and earthenware, machinery for electric light, and electric lamps. Decreases occurred in imports of wool yarn, cotton piece-goods, rubber toys and manufactures, rubber boots and shoes, bicycles, celluloid toys, abrasives, paper, and codfish.

The value of Brazilian exports to Japan decreased from \$15,301,000 to \$13,260,000, although tonnage rose from 60,000 to 74,000 tons. Increases in exports to Japan occurred in timber and lumber, and hides and skins, and decreases in cocoa butter, raw cotton, raw rubber, cocoa beans, coffee, carnauba wax, Brazil nuts, and sheep and goat skins.

BUSINESS CONDITIONS IN NETHERLANDS INDIA

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

(One florin or guilder equals \$0.55 Canadian; one metric ton equals 2,205 pounds)

Singapore, September 30, 1939.—Although the export position of Netherlands India is still unfavourable, the general situation during the first half of this year was somewhat better than during the same period of last year. Prices in world markets for the country's export products continued to be low; but the general index for export commodity values, which stood at 43 in January (1929 = 100), rose during the second quarter and stood at 46 in June. The general index of import commodity prices, which stood at 96 in January, 1938, and had fallen to 91 in December of that year, remained at 91 during the first half of the present year. However, these factors are of importance mainly to European estate, industrial, and commercial interests in Netherlands India. The native population have ample food supplies and there is no evidence of hardship.

FOREIGN TRADE

The excess of exports over imports in the first half of this year was fl.124,-000,000 as compared with fl.129,000,000 in the first half of 1938.

IMPORTS

Total imports into Netherlands India in the first six months of 1939 amounted to 971,000 tons valued at fl.229,209,000, a slight increase in quantity and a slight decrease in value as compared with the figures for the same period of 1938, when the total quantity was 962,000 tons valued at fl.232,000,000.

The total values of almost all import commodity groups declined. The increase in the import quantity was due mainly to larger imports of fertilizers and railway materials into Java and Madura.

Imports from Canada during the six-month period were valued at Canadian \$483,000 as against \$379,000 in the same period of 1938.

EXPORTS

Exports in the first half of the year amounted to 5,993,000 tons valued at fl.353,327,000 as compared with 5,226,200 tons valued at fl.361,303,000 in the same period of 1938. It will be noted that there was a considerable increase in the quantity of exports but a decline in the value as compared with the first six months of 1938. The quantity increase consisted mainly of greater exports of sugar from Java, petroleum products and copra from Sumatra and the other Outer Possessions, and coffee, cassava, palm oil, pepper, fibres, and maize from all parts of the archipelago. The low prices for copra, palm oil, tin, and coffee were mainly responsible for the decline in total value. The unfavour-

able position of the export trade affects the Outer Possessions to a greater extent than Java and Madura. Over 70 per cent of the total population is concentrated in these two islands and there is, therefore, not as large an exportable surplus as from the Outer Possessions.

The following table shows the total exports of Netherlands India's main products by quantities and values for the first six months of 1939 and 1938:—

	Jan.-June, 1938		Jan.-June, 1939	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Rubber..	172,148	79,344	194,119	88,091
Petroleum products	2,987,906	84,215	3,578,899	79,243
Sugar..	469,801	20,324	696,626	31,035
Tea	42,154	28,609	42,845	28,775
Coffee..	25,503	5,790	30,182	5,356
Palm and other vegetable oils..	427,758	37,869	455,278	24,212
Tobacco	44,522	33,231	32,091	23,640
Fibres	45,300	6,997	69,213	9,178

GOVERNMENT FINANCE

Government revenues for the first six months of the year amounted to fl.248,100,000 as compared with fl.252,800,000 in the same period last year. Small declines in the revenues from taxation and government monopolies accounted for the slightly smaller total. The income from produce, industries, and miscellaneous sources showed an increase. There was a slight increase in the total amount of coinage in circulation, indicating a slight improvement in native purchasing power. The total value of bank notes in circulation declined.

GOVERNMENT POLICY

The Netherlands Indies Government continues to exercise control over all phases of domestic business and import and export trade. The nature and scope of these control measures have already been reported in previous issues of the *Commercial Intelligence Journal*. Full particulars with regard to the commodities affected by quota and licence restrictions may be obtained from the Department of Trade and Commerce, Ottawa.

MARKET FOR CHANGKOLS IN MIDDLE ASIA

K. F. NOBLE, ACTING TRADE COMMISSIONER

[One Straits dollar (S\$1) equals 54 cents Canadian at current rate of exchange;
one florin equals 55 cents Canadian]

Singapore, September 27, 1939.—The type of digging tool commonly used in Middle Asia* resembles a mattock or hoe and is known as a "changkol." It combines the advantages of the shovel, pick, mattock, hoe, and weeder and is used for excavating, digging ditches, planting rubber trees, weeding on pineapple estates, opening ground in the tin fields, general gardening and agricultural work.

Only the metal heads are imported, rough handles of local wood being fitted by the buyers. Canadian firms in a position to manufacture this implement may obtain illustrations of types on sale in this market and of methods of packing on application to the Department of Trade and Commerce, quoting file No. 32579.

BRITISH MALAYA

Changkol heads have been supplied to British Malaya from Great Britain, Germany, Holland, Belgium, and Japan. Although Continental European firms,

* For the purpose of this report, "Middle Asia" means British Malaya, Thailand (Siam) and Netherlands India.

particularly those in Germany, have controlled the bulk of the trade in adjoining markets, Malayan buyers prefer British supplies, which have grown in favour since the depression of 1931. Improvement in tempering and the substitution of quality for price as a basis for sales by one British manufacturer, a seemingly reckless experiment during a period when purchasing power was curtailed, was approved by the buyers, who now purchase 97 per cent of their requirements in changkols from the United Kingdom. The number and value of heads imported from the principal sources of supply during 1936, 1937, and 1938 were as follows:—

British Malayan Imports

	1936		1937		1938	
	Number	S\$	Number	S\$	Number	S\$
United Kingdom...	350,318	219,344	567,147	396,674	145,056	108,907
Germany...	10,968	4,732	36,510	17,572	5,640	3,720
Japan...	60	63	125	107	720	531
Total...	361,883	224,347	605,794	415,302	151,603	112,759
Values in Canadian dollars		\$132,365		\$240,875		\$ 62,017

The heavy importation into British Malaya during 1937 resulted from favourable conditions prevailing in the rubber and tin industries, but with rigorous restriction in both during 1938, the accumulation of unsold stocks tended to curtail new business. The normal annual demand is approximately the same as in 1936, i.e., about 360,000 pieces with a declared import value of some Can.\$132,000.

PRICES

There are two types of changkol heads: (a) round-eye and (b) D-eye, the former being used in estate work and the latter, intended for heavy service, principally in the mining industry. Round-eye heads are of either rolled or tempered and hammered steel and are sold by numbers ranging from No. 2 (about 2½ pounds) to No. 6 (about 4 pounds), while D-eye heads are of tempered, hammered steel and the weights sold are largely 3, 3½ and 4 pounds.

For all but the cheapest lines ex-stock prices include a carrying charge of 10 per cent and an agent's commission of 5 per cent, both of which have been deducted in computing the Canadian net c.i.f. dollar equivalents (shown within parentheses) for the following representative Straits dollar quotations per dozen heads:—

Round-Eye Changkols

Supplier A.—No. 2, \$5.40 (\$2.49); No. 3, \$5.75 (\$2.66); No. 4, \$6 (\$2.77); No. 5, \$6.30 (\$2.91); No. 6, \$6.60 (\$2.99) (heads of rolled steel).

Supplier B.—No. 2, \$6.55 (\$3.02); No. 3, \$6.95 (\$3.21); No. 4, \$7.80 (\$3.60); No. 5, \$8.65 (\$4.09).

D-Eye Changkols

Supplier A.—3 pounds, \$12.60 (\$5.82); 3½ pounds, \$13.10 (\$6.05); 4 pounds, \$13.60 (\$6.28).

Supplier B.—3 pounds, \$12.50 (\$5.81); 3½ pounds, \$13 (\$6); 4 pounds, \$13.50 (\$6.23).

Supplier C.—3 pounds, \$8 (\$3.69); 3½ pounds, \$9.50 (\$4.44); 4 pounds, \$11 (\$5.08).

Supplier D.—3 pounds, \$7.20 (\$3.33); 3½ pounds, \$7.80 (\$3.60); 4 pounds, \$8.40 (\$3.90).

It is estimated that 70 per cent of the total sales of D-eye changkols are in the most expensive quality, represented by supplier A, which establishes the standard of quality and against which others endeavour to compete at lower prices.

DUTIES

The Straits Settlements are free-port territories and duties are imposed on only a limited group of products; changkols, therefore, are duty-free from all sources. In the Federated and Unfederated Malay States, implements and tools for estate and mine use are not included in the dutiable classification "machinery and manufactured articles of iron, steel and zinc." Therefore, in no part of British Malaya is any duty assessed against changkol heads.

PACKING

The standard packing, one which all suppliers must adopt, consists of a flat wooden case holding one dozen heads packed in two nests of six, separated by a wooden partition, the individual heads being wrapped in moisture-proof paper. The cases must be double wired lengthwise and metal strapped once crosswise, as shown in the illustrated matter previously referred to as being available to interested Canadian firms.

NETHERLANDS INDIA

Some 760,000 changkol heads, valued at about \$290,000 (Canadian currency), were imported into Netherlands India during 1938. Hardwares of German origin have been in a most favourable position owing to the semi-barter basis on which supplies from Germany were obtained and to the long-established position of German merchant import houses who carried adequate stocks and extended lengthy credits.

The numbers and declared values of imports of changkols into Netherlands India in 1936, 1937, and 1938 are as follows:—

	1936		1937		1938	
	Pieces	Guilders	Pieces	Guilders	Pieces	Guilders
Germany.. . . .	410,929	197,738	553,701	335,955	428,958	305,917
Great Britain.. . . .	351,718	153,157	408,888	217,636	281,937	178,710
Holland.. . . .	16,302	5,703	13,154	7,429	other countries	
Japan.. . . .	.....	.....	12,712	5,042	48,291	28,737
Singapore.. . . .	19,381	7,646	25,131	12,025	.....	.....
Total.. . . .	798,330	364,244	1,013,586	578,087	759,186	513,364
Values in Canadian dollars.. . .	\$225,831		\$317,948		\$282,350	

In the last three years Germany's percentage of the total importation increased from 55 per cent to about 61 per cent, while Great Britain's share, as the principal competitor, has declined from 42 per cent to 36 per cent.

DUTIES

Netherlands India has a one-level tariff, under which changkols are dutiable at 9 per cent of the landed value (i.e. 6 per cent ad valorem plus a surcharge of 50 per cent of the duty).

THAILAND (SIAM)

Siamese import statistics do not list changkols separately but include them under the general classification "other imports of iron and steel." Japan is an important supplier of all materials to Thailand and is the leading country of origin for imports under this classification. It is probable, therefore, that Japan has been the principal supplier of changkols, followed by Germany and the United Kingdom.

In any case, as Singapore and Penang are entrepôts for the Thailand market, products selling satisfactorily in Malaya reach Thailand through buying connections in these ports.

MARKET PROSPECTS

British Malaya, by reason of a sentimental preference for British products and on account of the commanding market position of British-made changkol heads, is the logical outlet in this territory for a product of Canadian manufacture. Successful sales efforts there will serve to interest merchant importers in Netherlands India and will provide a strong selling argument. Moreover, as already mentioned, Thailand (Siam) will be reached indirectly through British Malaya when an entrée into the latter market has been obtained.

Importers agreed that, even at competitive prices for comparable quality changkols, developments must be slow owing to the established position and reputation of known brands. Assuming that a product of comparable quality can be supplied at a competitive price, there remains the problem of attracting the buyer who is not interested in handling supplies of poor quality as represented by a number of cheaper brands which are offered but continue to be unsaleable. A preferable means of introduction would be to establish a price range slightly below that of supplier A, allowing the difference between these quotations and the lowest prices which could be quoted as an appropriation for advertising in trade journals reaching estates and mining interests.

In the first instance, after determining that the established prices are attractive and sufficient to allow an advertising appropriation, specimen changkol heads should be forwarded to the office of the Canadian Trade Commissioner, Singapore, who will canvass prospective dealers on the basis of quality plus the advertising allowance that is offered.

JAPAN'S 1939 RICE CROP ESTIMATE

A. K. DOULL, ACTING TRADE COMMISSIONER

Kobe, October 16, 1939.—According to a report issued by the Ministry of Agriculture and Forestry, this year's rice crop in Japan is estimated at 320,-808,435 bushels. This figure represents a decrease of 5,797,987 bushels or 1·8 per cent from last year's actual crop and an increase of 14,589,403 bushels or 4·8 per cent over the average crop of the last five years. (The 1939 estimate does not include the second crop in Okinawa Prefecture, where rice is produced twice a year.)

Droughts in western and southerly parts of Japan greatly affected the rice crops in those parts but crops in northern and eastern Japan received enough rain to produce rich harvests, which offset to a large extent the poor crops elsewhere.

The total area of rice paddy fields throughout the country is estimated at 7,813,241 acres, showing a decrease of 70,955 acres or 0·9 per cent from last year.

The acreage under cultivation and the crops harvested during the last five years shown within parentheses have been as follows: 1934, 7,769,458 acres (257,-013,887 bushels); 1935, 7,845,278 (284,824,265); 1936, 7,850,333 (333,863,512); 1937, 7,874,324 (328,787,066); 1938, 7,884,196 (326,606,422); average for last five years, 7,844,718 acres (306,219,032 bushels).

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

The Canadian Trade Commissioner in London writes that the Board of Trade on November 6 and 7 issued an Open General Licence under the Import Prohibition (No. 1) Order, 1939, authorizing, until further notice, the importation into the United Kingdom of the goods listed below:—

Fruits preserved with added sugar, not tinned or bottled.

Shell fish, fresh for food (not of British taking), the following: prawns, shrimps, mussels, cockles and winkles.

Red cabbage.

Gherkins.

Garlic.

Horse-radish.

Citrus fruit juice.

Grape juice and must.
 Meat extracts and essences.
 Nuts used as fruit—Barcelona and hazel nuts, Brazil nuts and chestnuts.
 Dried vegetables, other than peas, beans, and lentils (including such dried vegetables in airtight containers).
 Beans (other than runner beans), preserved in airtight containers.
 Yeast.
 Block milk.
 Isinglass.

No further individual licences will therefore be issued until further notice in respect of these goods.

The board also announce that they will not, until further notice, be prepared to consider applications (except those already received) for licences for the importation of the following goods:—

Cider and perry.
 Sweetened pickles, other than chutney.
 Vegetables preserved in airtight containers other than dried vegetables, tomatoes, and beans (other than runner beans).
 Nuts other than almonds, walnuts, chestnuts, Brazil nuts, and Barcelona and hazel nuts.

The importation of nuts from the British Empire is, however, permitted under an open general licence which was issued by the Board of Trade on September 28.

OPEN GENERAL LICENCE FOR EMPIRE APPLES AND PEARS

Mr. W. B. Gornall, Canadian Fruit Trade Commissioner in London, cables that, effective November 20, imports into the United Kingdom of fresh apples and pears are prohibited except under licence. These fruits consigned from British Empire territories may, however, be imported under open general licence, and importers will not require individual licences. No licences will be issued until further notice for fresh apples and pears from non-Empire countries.

IMPORTS OF PAPER-MAKING MATERIALS AND FLAX SUBJECTED TO LICENCE

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, advises in a cablegram of November 15 that the Import Prohibition (No. 6) Order prohibits the importation into the United Kingdom, except under licence, of the following paper-making materials: pulp; roundwood logs of pine, spruce, and aspen, in the natural state or free from bark or bast, not hewn or sawn except crosscut at the ends, in lengths not exceeding 50 inches, the top diameter not being more than 12 inches.

The Import Prohibition (No. 7) Order adds flax, including tow or codilla, whether dressed or not, to goods the importation of which is prohibited except under licence.

The cablegram states that the purpose of both orders, which are effective November 20, is not to restrict the supplies but to enable the controls to arrange purchases in the most advantageous manner and to put available materials to the best use. Applications for licences must be submitted to the paper and flax controllers, who will transmit approved applications to the Import Licensing Department for the issue of licences.

BILLS OF LADING

Mr. H. A. Scott, Canadian Trade Commissioner in London, writes that the Ministry of Economic Warfare wish to make known as widely as possible the following information with regard to bills of lading made out "to order", which

is of particular interest to commercial houses in the United Kingdom acting as intermediaries between overseas suppliers and overseas buyers: The Ministry are prepared to regard a bill of lading made to the order of a bank or accepting house and bearing the inscription "notify buyers Messrs." as equivalent to a bill made out to a named consignee. A person so named on the bill will be regarded as if he were named as the consignee of the goods.

The use of this form of bill will remove from the consignments covered the almost certain presumption of ultimate enemy destination at present attaching to goods consigned simply "to order" when sent to a country from whence they might reach the enemy; although clearly, whatever the form of bill used, no goods will be exempt from seizure if there is a suspicion of ultimate enemy destination.

IMPORT LICENSING REGULATIONS

The Canadian Trade Commissioner in London writes that an open general licence has been issued covering the importation into the United Kingdom of boxboards, whether in sets or not. This means that individual licences to import boxboards are no longer required. The arrangement took effect on October 26.

The Import Licensing Department also announce that they will now consider applications for import licences for goods imported under bond for re-export whether further processed in this country or not, and goods on which duty is paid and subsequently recovered on the re-exportation of the goods.

Australia

MARKING OF IMPORTED WATCHES, CLOCKS, AND PORCELAIN INSULATORS

An amendment to the Commerce (Imports) Regulations of Australia requires that "watches, clocks, and movements therefor" imported into Australia on and after December 30, 1939, must be marked as follows: "An indication of the country in which the article was made or produced shall appear on the back of the movement, and also, if the watch or clock has a dial, or a dial is incorporated with the movement, on the front of the dial."

The Comptroller-General of the Australian Customs has issued notification that "porcelain insulators" are to be added to the list of electrical goods required to bear marking as to the country of origin when imported into Australia. The Comptroller-General says: "Marking as to the country of origin will be required to be applied to each insulator indelibly, i.e., under the glaze, in clear and legible characters and in a prominent position." This requirement becomes effective on January 1, 1940.

British Malaya

IMPORT RESTRICTIONS AND PROHIBITIONS

With reference to the article in *Commercial Intelligence Journal* No. 1863 (October 14, 1939), page 713, concerning import restrictions in the Straits Settlements and Federated Malay States, Mr. K. F. Noble, Acting Canadian Trade Commissioner at Singapore, cables under date November 20, 1939, that the number of restricted imports has been increased to 76, including certain foodstuffs. A new order prohibits the importation from Canada, Newfoundland, Hongkong, and all foreign countries of 236 items, including: hay, chocolate confectionery, whisky, sawn timber, wrought iron tubing and fittings, rubber-insulated electric wire, haberdashery, silk hosiery, oilcloth and linoleum, and roofing felt.

Ceylon

IMPORT PROHIBITIONS AND LICENSING

With reference to import control regulations of Ceylon brought into force on November 1 as announced in the *Commercial Intelligence Journal* of November 11, page 884, Mr. Paul Sykes, Canadian Trade Commissioner at Calcutta, cabled on November 18 that the Ceylon Government had advised: "Certain goods are prohibited from any source whatever, others are prohibited except from the Empire sterling circle, and others again are regulated by licence except from the Empire sterling circle. There are sixty items in the last-named category but the only important items affecting Canada are tinned fish, barbed wire, photographic instruments, typewriters, motor cars, motor lorries, and motor tires. Licences are to be issued quarterly and based on the average imports per quarter over $2\frac{1}{2}$ years ending June 30, 1939."

Mr. Sykes reported that according to present information, hosiery, patent medicines, aluminium, lumber, and motor accessories, were also among the articles that could be imported from Canada under licence, that apparently there was no restriction on clocks, condensed milk, or cereal foods, but that toilet soap, railway sleepers, canvas belting, wire fencing, and frozen fish were among the prohibited commodities.

British Guiana

LICENSING OF IMPORTS

With reference to the announcement in *Commercial Intelligence Journal* No. 1866 (November 4, 1939), page 840, concerning the licensing of imports of motor cars and lumber into British Guiana, the *British Guiana Gazette* of November 8, 1939, announces "the importation into the colony of goods and articles of every description from Canada, Newfoundland, Hongkong, the Sudan and all foreign countries, save under special licence which may be issued by the Comptroller of Customs at his discretion, is prohibited."

The prescribed form of application for import licence requires the applicant to state whether he will (a) remit the necessary amount to cover the cost of the goods, insurance, shipping expenses, with the order; (b) settle with bank (to be named) on arrival of the goods in the colony; (c) or how payment will be effected.

TARIFF INCREASES ON ALCOHOLIC BEVERAGES AND TOBACCO

An ordinance of the Legislative Council of British Guiana, assented to October 5, 1939, increased the duties on alcoholic beverages and tobacco as follows, former rates being shown within parentheses:—

	British Preferential Tariff	General Tariff
Beer, ale, stout and porterper gal.	58c. (48c.)	87c. (72c.)
Brandy, not exceeding 85% proof spiritsper gal.	\$4.00 (\$3.32)	\$5.10 (\$4.25)
Brandy, exceeding 85% proof spiritsper proof gal.	\$5.50 (\$4.57)	\$6.60 (\$5.50)
Whisky, not exceeding 85% proof spiritsper gal.	\$5.40 (\$4.50)	\$6.00 (\$4.97)
Whisky, exceeding 85% proof spiritsper proof gal.	\$6.85 (\$5.70)	\$7.40 (\$6.17)
Gin, not exceeding 85% proof spiritsper gal.	\$5.15 (\$4.28)	\$5.70 (\$4.75)
Gin, exceeding 85% proof spiritsper proof gal.	\$6.65 (\$5.53)	\$7.20 (\$6.00)
Rumper proof gal.	\$6.00 (\$5.00)	\$12.00 (\$10.00)
Liqueurs, bitters and cordials, not overproofper gal.	\$6.15 (\$5.13)	\$6.72 (\$5.60)
Liqueurs and cordials, overproofper proof gal.	\$6.15 (\$5.13)	\$6.72 (\$5.60)
Flavouring extractsper gal.	\$6.15 (\$5.13)	\$6.72 (\$5.60)
Perfumed spirits (including bay rum and other spirituous toilet preparations and dentifrices):		
Not overproofper gal.	\$3.60 (\$3.00)	\$7.20 (\$6.00)
Overproofper gal.	\$4.80 (\$4.00)	\$9.60 (\$8.00)

	British Preferential Tariff	General Tariff
Unenumerated spirits and unenumerated preparations containing spiritsper proof gal.	\$6.00 (\$5.00)	\$12.00 (\$10.00)
Cigarsper lb.	\$2.42 (\$2.10)	\$3.45 (\$3.00)
Cigarettes, manufactured in British Empire entirely from Empire tobaccoper lb.	\$2.10 (\$1.83)	.....
Cigarettes, manufactured in British Empire entirely from foreign tobaccoper lb.	\$2.53 (\$2.20)	.....
Cigarettes, manufactured in foreign countries . . .per lb.	.....	\$3.45 (\$3.00)
Other manufactured tobacco and snuff:		
Manufactured in British Empire entirely from Empire tobaccoper lb.	\$1.36 (\$1.18)	.....
Manufactured in British Empire entirely from foreign tobaccoper lb.	\$1.80 (\$1.55)	.....
Manufactured in foreign countriesper lb.	.....	\$3.00 (\$2.60)
Tobacco, in leaf, if in packages containing not less than 400 lbs:		
Containing not less than 25% and not more than 38% of moistureper lb.	70c. (60c.)	70c. (60c.)
Containing less than 25% of moistureper lb.	\$1.10 (96c.)	\$1.10 (96c.)
Tobacco, in leaf, if in packages containing less than 400 lbs.:		
Containing not less than 25% and not more than 38% of moistureper lb.	80c. (70c.)	80c. (70c.)
Containing less than 25% moistureper lb.	\$1.20 (\$1.06)	\$1.20 (\$1.06)
Sparkling wineper gal.	\$1.60 (\$1.32)	\$2.70 (\$2.25)
Still wine, in bottle, containing not more than 26% proof spiritper gal.	\$1.08 (90c.)	\$1.53 (\$1.27)
and for each additional degree of strength up to 42% per gal.	11c. (9c.)	12c. (10c.)
Still wine, in bulk, containing not more than 30% proof spiritper gal.	63c. (52c.)	96c. (80c.)
and for each additional degree of strength up to 42% per gal.	11c. (9c.)	12c. (10c.)

In addition to these rates, the above articles are subject to surtax of 30 per cent of the duty and to a bill of entry tax of 3 per cent ad valorem.

Canadian and Empire goods are dutiable under the preferential tariff.

St. Lucia

CONTROL OF IMPORTS FROM NON-STERLING COUNTRIES

St. Lucia *Gazette* of November 11, 1939, announced control of imports from Canada, Newfoundland, and all foreign countries. The regulations regarding imports from these countries are the same as those adopted by Grenada, and which were published in the *Commercial Intelligence Journal* of November 18, 1939, page 945.

St. Vincent

CONTROL OF IMPORTS FROM NON-STERLING COUNTRIES

Regulations were published in the St. Vincent *Gazette* of October 24 intended to encourage importations of goods from countries where the exchange is in sterling and to control imports from non-sterling countries.

In pursuance of these regulations a notice issued by the Colonial Treasurer on October 27 announced: "It is intended to grant import licences as may be found necessary in the case of articles in general use which can normally be obtained from Canada, Newfoundland, or foreign countries only. Such articles are: beef, canned and pickled; cheese; condensed milk; fish, canned, dried, and pickled; flour, wheaten; lumber, pitch pine and white pine; onions; paper, manufactured; pork, pickled; tobacco, unmanufactured. In the case of other articles, licences to import will be granted only when it has been shown to the satisfaction of the Treasurer that such articles are essential and can be obtained only from Canada, Newfoundland, or a foreign country." The notice said that the importation of goods into St. Vincent from all Empire countries, except Canada and Newfoundland, is quite unrestricted.

Hongkong

INCREASED DUTIES AND PREFERENCE ON SPIRITS AND WINES

The import duty on gin and whisky entering Hongkong was increased on October 12, 1939 from 10 Hongkong dollars (about \$2.70 in Canadian money at current rate of exchange) per imperial gallon to the equivalent of \$5.40 general tariff and \$3.40 preferential rate. The preferential rate is applicable to Canada and other British Empire countries. Duties on wines and other spirituous liquors were increased at the same time and new preferences introduced.

Netherlands

IMPORT RESTRICTIONS ON RUBBER BOOTS

Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, writing under date November 2, 1939, states that the restrictions on the importation into the Netherlands of rubber boots, to which reference was made in *Commercial Intelligence Journal* No. 1815 (November 12, 1938), page 849, have been abolished as from November 1, 1939.

Chile

TARIFF ON SPORTING GOODS REDUCED

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, writes that under a Chilean law of September 12, 1939, balls for lawn tennis, golf, football, basketball, hockey, cricket, and polo (Item 1929), previously dutiable at 7.50 gold pesos per kilogram (about 78 cents per pound), and apparatus for physical exercises and sports goods not elsewhere specified in the tariff (item 1934), previously dutiable at 3.80 gold pesos per kilogram (about 40 cents per pound), have been exempted from import duties. The duty on skates (Item 1928) has been reduced from 3.80 gold pesos to 1 gold peso per kilogram (from 40 to 10½ cents per pound). These products are also exempted from the additional import tax of 5 per cent ad valorem established by a Chilean law of January 2, 1936, and will not be considered as luxury articles for the purpose of exchange control.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Argentina

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes that under an Argentine regulation dated October 29, 1939, Canadian exporters of merchandise to Argentina may draw their covering bills in any currency except sterling.

Ecuador

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Lima, October 31, 1939.—For the past sixteen months, by means of import control, the Ecuadorean Government has regulated the supply and demand of foreign exchange. Under this system several methods have been employed. In the second half of 1938 import permits were required to be presented to the banks before exchange could be granted. At the beginning of 1939 the system was changed, quotas being allotted on the basis of the imports by individual importers during the second half of 1935, the whole of 1936, and the first half of 1938. A great deal of dissatisfaction was occasioned by this latter method, as it resulted in a reduction of about 40 per cent in total imports, and government purchases, for which a definite quota of 14 per cent was provided, were included in the reduced volume.

NEW IMPORT CONTROL MEASURES

On July 1 a new type of import control was made effective. While the provision that virtually all commercial imports required a prior permit continued, the quota provisions were eliminated, and in substitution importers were required to present proof that 30 per cent of the f.o.b. port of shipment value of the goods had been deposited with the Central Bank of Ecuador. (This percentage was reduced to 15 on October 11, as referred to in a following paragraph.) The Central Bank was authorized to lower this percentage as circumstances warranted, but in no case was it to be less than 10 per cent of the f.o.b. value except for machinery, raw materials, and other articles for domestic industry, when it might be waived in whole or in part if approval was obtained from the Ministry of Agriculture and Industry. Imports for the Government and other official groups were exempt from this regulation.

The value stated in the import permit is f.o.b. port of shipment (as contrasted with c.i.f. under the previous regulations), which is in keeping with the requirements as to consular invoices. The mandatory provision as to presentation of the duplicate of the import permit by the exporter to the Ecuadorean consul, in order to obtain legalization of consular invoices, remained effective. Parcel post shipments of a value less than U.S.\$20 as well as advertising and publicity material sent gratis, either without commercial value or whose value is not in excess of U.S.\$20, were allowed without prior permit being required.

On September 11, by amendment to the law effective July 1, provision was made for the abolition of the deposit of 30 per cent of the f.o.b. value on the imports of implements and machinery for agriculture and for industries established within the country, of prime materials and other articles necessary for the functioning of such industries, and of articles of subsistence for the centres of mining and agricultural exploitation which have contracts with the Government. Furthermore, all deposits made against imports from Germany not despatched up to that date were ordered to be returned by the Central Bank to the importers, who in turn were required to give up their import permits for such goods. Further legislation provided for the cancellation of permits for general imports in those cases where the possibility of fulfilling orders was unlikely.

REVIEW OF EXCHANGE CONDITIONS

During the past ten months there have been numerous changes in the Ecuadorean exchange situation. In the early months the supply of foreign exchange was quite sufficient to meet the requirements of importers, but the steady depletion of the foreign exchange reserves of the Central Bank by the beginning of the second quarter forced the rate of 14.60 sucres to the United States dollar, quoted early in March, down to as low as 15.40 sucres at the beginning of June. A check in this fall was brought about at that time by the Central Bank, which then quoted at the rate of 15 sucres to the United States dollar, but, with the continuing unfavourable economic and political conditions in the country and despite the new import control law effective July 1, importers continued to find it difficult to obtain requirements from the Central Bank other than for import drafts. Conversely, the commercial banks, which on July 8 and July 31 were selling at rates of 15.35 sucres and 15.40 sucres respectively, had funds necessary for all import permit holders. In August the sucre strengthened, reaching 15.15 to the United States dollar by the middle of the month and 15.01 at the opening of September. With the uncertainty created by the outbreak of war in Europe, the sucre moved slowly and slightly down to 15.06 to the United States dollar at the beginning of October, following some fluctuations during the first week of the previous month.

EFFECT OF NEW REGULATIONS

The import control regulations of July have given satisfactory results in the way of restricting imports, but importers have experienced considerable difficulty in many cases in obtaining the cash advance deposit of 30 per cent of the values of their orders. Consequently Chambers of Commerce in the more important centres and individual importers again demanded fresh amendments. At the end of July more than 5,000,000 sucres were stated to be held by the Central Bank, and for the following two months a similar although more intensified situation obtained. It is reported in the press that more than 10,000,000 sucres were held by the Central Bank early in October. In addition to the difficulties created for importers by the reduction of their liquid assets by way of these advance deposits, the currency in circulation was reduced, and, in turn, credits were much tighter than earlier in the year.

During the past several weeks considerable controversy has arisen among both business men and legislators with respect to the position of the Central Bank as regards domestic financing and foreign trade operations. This has resulted in new legislation amending the Banking Law as applied to the Central Bank, enlarging its powers in some directions and reducing them in others, notably with respect to note issue in the former case and to the prevention of its making advances to the Government either for budgetary or other needs in the latter. By these means it is hoped that the note circulation may not continue on such a restricted scale as has been the case since the law of July 1 went into effect and that more funds will be available for the ordinary needs of commerce both internal and external.

This new law was promulgated on October 11, also the date of an important amendment to the Import Control Law of July 1 by which the 30 per cent advance deposit in the Central Bank was reduced to 15 per cent for all commodities not already exempt by prior regulation and all accounts held by the Central Bank above 15 per cent of the value of the expected imports were to be returned to the importers. It is estimated that as a result more than 5,000,000 sucres immediately became available.

PRESENT SITUATION

Despite these various measures, the economic situation in Ecuador has as yet shown little signs of improvement. Credits are difficult to obtain and internal prices have risen about 25 per cent since the beginning of the war despite the Government's stringent laws and regulations put into effect early in the conflict with respect to speculation, price levels, hoarding, etc. On October 24 one of the leading newspapers in Guayaquil, the chief port and commercial centre of Ecuador, reported that the sucre had fallen from the level of 15.06 to the United States dollar at the beginning of October to 15.20 sucres as of that date. At the same time the Central Bank was paying but 14.98 sucres on purchases of United States dollars, which are only available for import drafts.

With the economic, financial, and exchange situation in Ecuador in rather a depressed state, Canadian exporters to that market are strongly advised to insist on at least payment against documents.

Bolivia

S. G. MacDONALD, ASSISTANT TRADE COMMISSIONER

Lima, October 27, 1939.—Bolivia continues to operate stringent exchange control measures. Throughout the present year financial matters have been in a more or less chaotic state, which was hardly bettered by the exchange measures taken early in June. By this law, far-reaching regulations were made effective. These included the centralization and control of all foreign exchange obtained

from exports (mainly tin and other minerals); the nationalization of the Mining Bank, which became the only bourse for minerals and which was given certain mandatory powers over mining companies; the allowance of only 50 per cent of foreign exchange obtained from exports for the needs of the Government as well as for those of industry and commerce, and in which allowance the requirements of the Government take priority.

Other legislation affecting exchange transactions, enacted in July and early August, included the following provisions and measures:—

(1) Applicants for foreign exchange must present to the Exchange Control Board certificates of payment of taxes from the Internal Revenue Office.

(2) Commercial houses engaged in the export of agricultural and animal products, manufactures and prime materials in general (after mandatorily selling to the Government at an arbitrary rate certain percentages of foreign exchange resulting from such transactions, and after paying various export taxes) are permitted to use certain amounts of foreign exchange remaining to their credit for the importation of articles of prime necessity, machinery, hardware, and merchandise in general.

(3) Importers who operate mines other than tin-producing, are permitted to use the balance of foreign exchange obtained from the sale of the ores of such mines after the obligatory sale to the Central Bank for the importation of merchandise, machinery, and materials in general.

(4) The nationalization of the Central Bank. This measure allowed for the complete control of the finances of the republic within the hands of the Government.

(5) Greater control on the imports of agricultural equipment and machinery to take effect early in September.

During July and August bolivianos were generally quoted at between 30 and 31 bolivianos to the United States dollar. These rates conformed with that of 141.40 bolivianos to the pound sterling which the Government had been determined to hold. During the same period the "curb" or "black" market rate was fairly steady, quotations being between 42 and 43 bolivianos to the United States dollar.

With the outbreak of war in Europe, the Government immediately put into effect stringent regulations concerning price levels, speculation, hoarding, etc., and suspended all foreign exchange transactions. This latter regulation was due to the fact that Bolivia depends almost entirely on the export of tin for its foreign exchange and it was feared that for some time it would be impossible to ship this metal, while Government and other essential needs would require more exchange than was available. On September 5 these complete restrictions were lifted but the granting of exchange was placed on an extremely limited basis, being practically confined to the purchase of articles of utmost necessity. Since that time exchange conditions have continued to be very difficult with every promise of becoming more difficult.

With the stopping of tin shipments in the middle of September, some bankers estimated that no exchange would be available in another six weeks even for Government expenses, much less for the needs of commerce. The official United States dollar rate at that time advanced to 36 bolivianos, while the "black" rate was in the neighbourhood of 55 bolivianos to the United States dollar. The Ministry of Finance shortly afterwards issued a statement indicating that there was sufficient foreign exchange available for articles of prime necessity as well as for prime materials for industry. Some relaxation was also given at the beginning of October to the law of June (referred to above) in so far as applications for exchange are concerned. This conflicting information leaves the position somewhat obscure. Consequently, Canadian exporters are strongly advised not to make shipments to Bolivia unless the importers are able to pay cash with order.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 20, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 20, 1939, and for the week ending Monday, November 13, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 13	Nominal Quotations in Montreal Week ending Nov. 20	Official Bank Rate
Belgium	Belga	.1001	\$.1809	\$.1824	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2140	.2141	5½
Finland	Markka	.0252	.0211	.0210	4
France	Franc	.0392	.0248	.0246	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0080	.0080	6
Holland	Guilder	.4020	.5892	.5892	3
Hungary	Pengo	.1749	.3275	.3275	4
	Unofficial		.....	.1954	—
Italy	Lira	.0526	.0559	.0559	4½
Yugoslavia	Dinar	.0176	.0255	.0252	5
Norway	Krone	.2680	.2520	.2521	4½
Portugal	Escudo	.0442	.0397	.0398	4-4½
Roumania	Leu	.0060	.0079	.0079	3½
Spain	Peseta	.1930	.1129	.1104	5
Sweden	Krona	.2680	.2642	.2642	2½
Switzerland	Franc	.1930	.2489	.2490	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2280	.2277	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0248	.0246	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0248	.0246	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2531	.2603	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0559	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0447	—
Colombia	Peso	.9733	.6344	.6356	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.4844	4.5825	—
China (Shanghai)	Dollar	.....	.0934	.0956	—
Hongkong	Dollar	.....	.2721	.2717	—
India	Rupee	.3650	.3349	.3340	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.4007	.....	—
Straits Settlements	Dollar	.5678	.5155	.5098	—
Australia	Pound	4.8666	3.57½	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Increased pressure on sterling free rates at New York dropped quotations 5 cents between November 13 and 18 to \$3.89. The week's close at \$3.93½ on the 20th showed a partial recovery. Canadian funds finished unchanged at 87 cents, but were 1⅓ cent below the week's peak. At Montreal, French francs closed narrowly lower at 2.47 cents as compared with 2.48 cents on November 13. The Belgian belga stiffened from 18.09 cents to 18.24 cents between November 13 and 20, while Swiss francs were 1 point higher at 24.90 cents. Dutch florins were steady at 58.92 cents. The unofficial or free market rate for the Argentine peso gained almost ¾ cent on the week to 26.03 cents. No change occurred in daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds, which remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Mackerel, Pilchards and Salmon (canned).....	492-4	Nicosia, Cyprus.....	Purchase.
Canned Sardines.....	495	Cairo, Egypt.....	Purchase and Agency.
Canned Sardines.....	496	Larnaca, Cyprus.....	Agency.
Canned Sardines.....	497	Baghdad, Iraq.....	Agency.
Canned Sardines.....	498	Baghdad, Iraq.....	Purchase and Agency.
Canned Sardines.....	499	Beirut, Syria.....	Purchase and Agency.
Miscellaneous—			
Hooks and Eyes, Dome Fasteners	500-1	Sao Paulo, Brazil.....	Agency.
Belt Lacings and Fasteners.....	502	Rio de Janeiro, Brazil.....	Agency.
Ladies' Handbags (Leather and Imitation Leather).....	503	Dublin, Ireland.....	Agency.
Rubber Nipples.....	504	Alexandria, Egypt.....	Purchase.
Ladies' Rubber Capes.....	505	Dublin, Ireland.....	Agency.
Rubber Goods (Sheeting, Hospital Cloth, Childrens' Pants and Bibs, etc.).....	506	Dublin, Ireland.....	Agency.
Linoleum or Oilcloth for Lining of Baby Carriages.....	507	Beirut, Syria.....	Purchase and Agency.
Battery Containers of Hard Rubber.....	508	Beirut, Syria.....	Purchase and Agency.
Radios.....	509	Caracas, Venezuela.....	Agency.
Printing Ink.....	510	Tel-Aviv, Palestine.....	Purchase or Agency.
Mild Steel Wire.....	511	Birmingham, England.....	Purchase.
Oil Burners for use in Bakeries..	512	Port of Spain, Trinidad..	Purchase and Agency.

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CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A review of the salient features of Canada's export and import trade and a summary of the activities of each of its Branches, including the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Service; Electricity and Gas Inspection Services; Publicity; Government Motion Picture Bureau; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services with statistics of revenue and expenditure, as also statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 25 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with Universities, Experimental Farms and other Government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

Catalogue of Motion Pictures.—List of all films available in the Government Motion Picture Bureau, with title and brief description. It is in loose leaf form, in order that revision may be made from year to year. (Price 25 cents.)

List of Grain Elevators.—Details of all Grain Elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving Invoice Requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1939. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum).

Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: P. V. McLANE. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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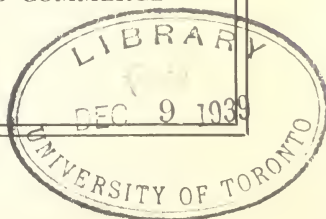
Ottawa, December 2, 1939

No. 1870



Loading Canadian Certified Seed Potatoes at Saint John for Argentina

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, December 2, 1939

No. 1870

CONTROL OF FEEDSTUFFS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, November 11, 1939.—In common with many other staple products, feedstuffs were brought under the control of the United Kingdom Government immediately on the outbreak of war by a provisional prices order (No. 1034), dated September 3, which provided that no sales within the United Kingdom might be made at prices higher than those prevailing in the week preceding the date of the order.

The feedstuffs covered by this order are:—

- (a) Wheat, maize, barley, oats, rye, millet, canary seed, dari, kaffir corn, peas, lentils and beans (other than soya beans) and all other pulse and grain (other than rice), ground tapioca, roots, hay and straw.
- (b) Barley meal, bean meal, dari (or durra) meal, ground oats, locust bean meal, flaked maize, maize germ cake and meal, maize gluten feed, all maize by-products, maize meal, Indian meal, pea meal, wheat meal, wheat offals and millers' offals, clover meal, compound cakes and meals, cotton cakes and meals not decorticated, cotton cakes and meals from decorticated or partly decorticated cotton seed, dried brewery grains, dried distillery grains, dried sugar beet residue, dried yeast, feeding bone flour, feeding dried blood, feeding meat and bone meal, feeding meat meal, fish meal, fish residue meal, ground bone, linseed cakes and meals of such cakes, linseed meal, malt culms, molasses feeds, nut cakes and meals (including coconut, copra, palm kernel, and groundnut cakes and meals), rape cake and meal, rice bran and rice meal, soya cake and meal, whitefish meal.
- (c) Oil cakes and meals not mentioned in part (b) of this schedule which are the product of any one undecorticated substance or seed from which oil has been removed, and oil cakes and meals not mentioned in part (b) of this schedule which are the product of any one decorticated substance or seed from which oil has been removed.

Provisional maximum wholesale prices were fixed a few days later by the Port Area Cattle Feedingstuffs Committees.

GRAIN FEEDS CONTROLLED SEPARATELY

The control of the sale and distribution of feedstuffs is vested in the Ministry of Food, but is divided between two sections of the Ministry. The Cereals Control Board is responsible for supplies of grain and grain by-product feeds, while other feeds are the responsibility of the Feedingstuffs section of the Ministry.

In both cases the importation and distribution of feedstuffs is the work solely of the section concerned, and sales may be made only to those sections or through channels designated by them. Therefore, the purchase abroad of grain feeds is handled by the Cereals Import Committee (of the Cereals Control Board) with offices at Godstone, Surrey, while the purchase of all other controlled feeds is made by the Director of Feedingstuffs Supply, Stanley Hall, Edmund Street, Liverpool, 3. Early in October the Director of Feedingstuffs Supply designated brokers in each area through whom offers would be received from importers and brokers in the United Kingdom.

Feedstuffs imported in this manner will be released to the trade by the Port Area Committees.

CONTROL OF IMPORTS

On September 18, the Ministry of Food issued a further order (No. 1213) providing that every person owning any specified feedstuffs situated outside the United Kingdom shall take appropriate steps to transfer such materials to the Minister of Food; and, further, that no person in the United Kingdom shall buy, sell, or deal in the specified feedstuffs situated outside the United Kingdom.

The feedstuffs affected by this order are:—

Cotton cakes and meals not decorticated, cotton cakes and meals from decorticated or partly decorticated cotton seed, linseed cakes and meals of such cakes, linseed meal, nut cakes and meals (including coconut, copra, palm kernel, and groundnut cakes and meals), rape meal, soya cake and meal, sesame cake and meal, rice bran and rice meal (including rice dust and parboiled rice meals), and cargo broken rice.

FIXING OF PRICES

The Feedingstuffs (Maximum Prices) Order (No. 1324) of September 29 fixed prices to be charged to the farmer for a wide range of animal feedstuffs. These prices are stated to be approximately those ruling immediately before the outbreak of war, and are fixed to enable farmers in the United Kingdom to produce and sell live-stock products at current prices. It is recognized that world prices of feedstuffs have recently been higher than maximum prices prescribed in this country. The present order is intended to make unnecessary any immediate upward revision of prevailing maximum prices for fat stock. This is rendered possible, in some degree at least, by the release of Government purchases of oilcakes and rice bran and controlled supplies of cereals and cereal products.

The prices fixed in the order are for lots of two long tons and over, and a scale of maximum additions for small lots is prescribed. Carriage within the country is an additional charge for the buyer's account, and the terms are net cash with extra charges for credit. Where feedstuffs pass through two hands, viz., wholesale dealers and distributing dealer, the original seller must reduce the maximum price fixed in the order by 12s. 6d. per long ton in the case of cereals, etc., or by 7s. 6d. per long ton in the case of oilcakes. A number of other reductions, for example for war risk insurance, must be made in specified circumstances to the end that the wholesaler is allowed a maximum margin of 4s., and the distributing dealer a maximum margin of 11s. 6d. (for cereals, etc.) or 6s. 6d. (for oilcakes) per long ton and inclusive of war risk in each case.

Some of the maximum wholesale prices of interest to Canadian exporters are:—

Imported bran, £6; imported middlings, £6 5s.; imported feeding barley, £6; Canadian No. 1 feed oats, £6 12s. 6d.; oats, crushed, rolled, or ground from No. 1 Canadian feed oats, £7 12s. 6d.; Canadian herring meal, £13 7s. 6d. (other qualities at customary price differentials); Canadian hay, f.a.q., £5 15s.; Canadian timothy and clover, £6 2s. 6d., both in bales ex quay. All prices are per long ton, ex store, and gross, sacks included, except hay, barley, and whole oats.

A few feedstuffs—viz: rye and rye meals, clover meal, dried yeast, and feeding dried blood—are left under the conditions of the original order (No. 1034 see above). Millet, dari, kaffir corn, and canary seed are omitted and prices are not controlled. Straw is not controlled.

Alfalfa meal is not mentioned and, so far as is known, is left, like clover meal, under the original order. The maximum wholesale prices in the London area, therefore, are: Canadian alfalfa meal, stem £7 and leaf £10, both ex wharf and net. For the present it would appear that alfalfa meal may be sold direct to the importer by Canadian exporters if prices are satisfactory.

EFFECT ON CANADIAN EXPORTS

The above summary of wartime control measures indicates the position in the United Kingdom and is, therefore, of interest to Canadian exporters. Offers should continue to be made through agents or brokers in the United Kingdom for relaying to the appropriate section of the Ministry of Food. It is probable that, with increased freight and insurance costs, the maximum wholesale prices permitted will not leave sufficient margin for exporter and agent. Shipments of some feeds may, therefore, be held up until anticipated adjustment is made in the price structure. At the same time there is always the possibility that some classes of feedstuffs may not be considered essential and that imports therefore would not be encouraged.

CONTROL OF ANIMAL, MARINE, AND VEGETABLE OILS AND FATS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, November 10, 1939.—Immediately on the declaration of a state of war the Board of Trade issued, under date September 4, a series of orders affecting all classes of edible oils and fats. These orders, in general, provide that sales should be at current prices and that, after September 25, sales of more than 50 long tons could be effected only under licence. The regulations also provide that crushing, refining, bleaching, deodorizing, finishing and all processing is possible only under licence. The orders further provide that returns must be made of stocks over 100 long tons (later reduced to 50), whether within the country or afloat, and that these materials may not be used, without prior licence, for any purpose other than food or feed. A similar order (No. 1075) appeared concerning margarine and cooking fats, but requiring returns of stocks over 5 long tons.

The orders controlling them and the oils and fats affected are:—

ORDER NO. 1072: MARINE OILS

Herring oil, pilchard oil, seal oil, whale oil, sperm oil (added October 7).

ORDER NO. 1073: OILSEEDS, VEGETABLE OILS AND FATS

FIRST SCHEDULE—OILSEEDS.—Castor seed, copra, cotton seed, groundnuts (peanuts), linseed, niger seed, palm kernels, rape seed, sesame seed, shea nuts, soya beans, and illipe nuts and kapok seed (added October 7).

SECOND SCHEDULE—OILS AND FATS.—Castor oil, coconut oil, cotton seed oil, groundnut (peanut) oil, kapok seed oil, linseed oil, maize oil, niger seed oil, olive oil, palm oil, palm kernel oil, perilla seed oil, rape seed oil, sesame oil, shea butter or oil, soya bean oil, and illipe oil (added October 7).

ORDER NO. 1074: ANIMALS OILS AND FATS

Bone grease, edible tallow (dripping), oleo oil, premier jus, technical tallow, stearine (beef and mutton), and suet.

A subsequent series of orders (Nos. 1152, 1151 and 1153, respectively) were issued with date September 11. This series of orders provide that every person owning or controlling 50 long tons of any of the above specified oils, fats or oilseeds outside the United Kingdom shall comply with such directions as may be given by the Minister of Food to the end that ownership of such goods is transferred to the Minister. Orders were issued on September 23 providing that certain vegetable oils can be used for manufacturing purposes without individual licence, and also permitting butchers to manufacture dripping without individual licence.

FURTHER REGULATIONS

On October 4 a general order (No. 1371) was issued governing oilseeds, vegetable oils and fats and marine oils, which brought under complete control, as from October 7, the industries engaged in the crushing or extracting of oil from oilseeds, nuts and kernels, and in the refining of vegetable and marine oils.

This order provides that on and after October 8 all imports of oilseeds and oils and fats specified in the order (see above under orders Nos. 1072 and 1073) will be requisitioned on arrival in the United Kingdom. All stocks in excess of 5 long tons owned by brokers, merchants, crushers, refiners, hydrogenators and manufacturers of margarine and cooking fats were requisitioned.

Persons owning stocks in excess of 5 long tons in the United Kingdom must furnish returns to the Ministry of Food showing quantities as at October 7.

This order further establishes a system of buying permits within the country in order to ensure fair distribution of supplies. A similar order (No. 1384) dated October 7 requisitioned all margarine and cooking fats from manufacturers, and provides for the requisitioning of any such fats arriving in the United Kingdom and the transference of ownership of stocks abroad to the Minister.

PURPOSE AND OPERATION OF THE CONTROL

The object of this complete control of the crushing and refining industries is to safeguard the supplies of raw materials for the margarine and compound cooking fats industries and to ensure economical production at all stages. It is intended to prevent wide fluctuations in prices and should enable these fats to be sold at reasonable prices.

Plans have been made under which 63 crushing mills, 46 refineries, 65 margarine and compound cooking fat factories, and 7 hydrogenating plants will operate on the Ministry's account. The crushing mills will produce crude oil and cake for the Ministry of Food from oilseeds provided to them from supplies as imported, and from reserves already in the country. The crude oil will be distributed among refiners and hydrogenators, and to soap, paint and linoleum manufacturers, while the cake will be transferred to the Feedstuffs Control for distribution among live-stock owners. In turn the refined oil will be made available to the cake and biscuit industries, the fish friers and other large users, but the greater part will be allocated to the manufacturers of margarine and compound cooking fats.

PRICE FIXING

As already noted, prices current during the last week of August were fixed as provisional maximum prices with effect until adapted by the Ministry to changing market conditions. On November 1, the Ministry of Food issued a notice giving prices for materials allocated to trade consumers for the period ending November 25. These prices are understood to represent cost plus handling charges. Some typical prices are: soya bean oil, crude, £27; soya bean oil, refined, deodorized, £31; linseed oil, crude, £36; whale oil, crude, hardened 42°, £24 10s., refined hardened 42°, £27, and refined hardened 46° and over, £27 10s.; all per long ton, naked, ex works (in the United Kingdom). The price for imported tallow, non-edible, prime mixed, is £24 per long ton c.i.f.; prices of other grades in proportion. Prices of acid oils are: cotton, black grease, £10, ex washed, £16; soya, £15; whale, £12; all per long ton, naked, ex works. The usual wholesalers' premiums are charged for smaller quantities.

No prices have yet been fixed for fish oils.

RELATIONSHIP TO CANADIAN TRADE

Under normal conditions this trade is not of general interest to Canadian exporters, although some quantities of fish oil are exported to the United Kingdom.

SHIPMENTS COVERED BY CONTRABAND LIST

Notice has been given by the United Kingdom Ministry of Economic Warfare that all goods covered by the Contraband List, which are shipped on or after November 20, 1939, to neutral countries in Europe consigned "to order" or to forwarding agents without specifying names of buyers, will be liable to seizure by the Contraband Committee. This, of course, does not affect existing arrangements under which bills of lading made out "to order" to a bank or accepting house and bearing inscription "Notify buyer Messrs." will be regarded as equivalent to a bill made out to a named consignee.

At the outbreak of war a Proclamation was issued specifying the classes of goods which it was the intention of the United Kingdom Government to treat as Contraband of war. The operative language of this Proclamation is as follows:—

Now, therefore, We do hereby Declare, by and with the advice of Our Privy Council, that during the continuance of the War, or until We do give further public notice, the articles enumerated in Schedule I hereto will be treated as Absolute Contraband, and the articles enumerated in Schedule II hereto will be treated as Conditional Contraband:—

SCHEDULE I

ABSOLUTE CONTRABAND

(a) All kinds of arms, ammunition, explosives, chemicals, or appliances suitable for use in chemical warfare, and machines for their manufacture or repair; component parts thereof; articles necessary or convenient for their use; materials or ingredients used in their manufacture; articles necessary or convenient for the production or use of such materials or ingredients.

(b) Fuel of all kinds; all contrivances for, or means of, transportation on land, in the water or air, and machines used in their manufacture or repair; component parts thereof; instruments, articles, or animals necessary or convenient for their use; materials or ingredients used in their manufacture; articles necessary or convenient for the production or use of such materials or ingredients.

(c) All means of communication, tools, implements, instruments, equipment, maps, pictures, papers and other articles, machines or documents necessary or convenient for carrying on hostile operations; articles necessary or convenient for their manufacture or use.

(d) Coin, bullion, currency, evidences of debt; also metal, materials, dies, plates, machinery, or other articles necessary or convenient for their manufacture.

SCHEDULE II

CONDITIONAL CONTRABAND

(e) All kinds of food, foodstuffs, feed, forage, and clothing and articles and materials used in their production.

UNITED KINGDOM: ORDERS PROHIBITING EXPORTS

The following lists are a consolidation of the lists in nine Orders dated September 20 and 21, October 6, 24, and 27 (4), and November 2, amending the basic Export of Goods Prohibition (No. 2) Order of September 2, 1939 (see *Commercial Intelligence Journal* No. 1863: October 14, page 706):—

LIST A

Additions: Kainite; sylvanite; bristles of the pig, hog or boar in the raw, or processed up to, but not including the state in which they are in bundles or bunches ready, or substantially ready, for incorporation in a brush or broom; platinum or alloys of platinum, sheet; woollen and worsted blankets, whether in the piece or not; silk noil tissues; jute

sheets wrappers and gunnies; jute fabrics, made up; wool, cleaned, scoured or carbonized and rags containing wool, excluding those containing other materials; motor vans; motor lorries; motor chassis (with or without tires) and parts thereof; fifteen classifications of chemical manufactures; diamonds advanced in condition from their rough state by any process, whether mounted or not, but not including such diamonds mounted or set in jewellery or precious metal.

Deletions: Pitch (excluding natural asphalt and bitumen); wireless receiving valves; food preparation and sterilization machinery; refrigeration machinery; animal hair; rags containing material other than wool; engines for motor vehicles of a Treasury rating below 21 h.p.; nine classifications of chemical manufactures.

LIST B

Additions: Salteake.

LIST C

Additions: Nickel oxide; nickel sulphate and nickel ammonium sulphate; selenium and selenium compounds.

Deletions: Potable spirits; artificial silk waste; thread and straw of artificial silk; diamonds suitable for industrial use.

TRANSFERS

Rough diamonds, to List A from List C; machine tools, to List B from List A; copal, shellac, seedlac, sticklac, resin (colophony), to List C from List A; woollen and worsted yarns, including those containing other materials, to List C from List A; rubber outer tires of less than 6 inches nominal section, to List C from List A; rubber inner tubes, to List C from List A; five classifications of chemical manufactures to List C from List A.

OPEN GENERAL LICENCES

Eleven open general licences have been issued permitting export of the following goods without the necessity of securing a particular licence for each individual consignment (laws against trading with the enemy to be observed):—

Poultry and meat pastes; beer; table waters, cider and perry, and wines; tea; malt extracts and infants' and invalids' foods containing malt; pickles, sauces and condiments; spices; cheese, processed; flavouring essences; mustard bran and mustard offals; vinegar; caviar; shell-fish, fresh; tobacco; flower seeds in paper envelopes; road vehicles (other than commercial vehicles and ambulances) and engines and chassis for same; refrigerating machines of a storage capacity not exceeding 12 cubic feet; paper of all kinds (except sensitized photographic paper, cigarette paper and waste paper) in sheets less than 16½ by 13¼ inches (or an equivalent area), or on rolls or reels 9 inches or less in diameter, crepe paper, printed paper (except waste paper), wallpaper, cigarette paper in booklets, gummed, textile-backed, bitumen-treated or gelatine-coated paper, paper patterns, paper yarn fabric; boards of all kinds, including coated, lined or embossed in sheets less than 16½ by 13¼ inches (or an equivalent area) or on reels or rolls of 9 inches or less in diameter; boards of any size which have been printed or coated with gum, lined with textile material or treated with bitumen, and articles made from board; transparent cellulose wrapping more than 1¼ inch in width and in sheets less than 16½ by 13¼ inches (or an equivalent area); transparent cellulose wrapping in any size on which designs have been printed and articles made therefrom; coal, coke and manufactured fuel of which coal or coke is the chief constituent (when approved by the Department of Mines); cinematograph films, exposed and developed, and associated sound tracks or gramophone records (when approved by the Ministry of Information); *biscuits; *coffee; *cakes; *crucibles; *plumbago; *rubber tires of a diameter less than 6 inches and tubes therefor.

* Open general licence does not permit export of these goods to certain countries.

WAR REGULATIONS AFFECTING AUSTRALIAN TRADE

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, October 25, 1939.—Towards the end of August the unfavourable international outlook led the Australian Government to take steps to meet any eventualities that might arise. On August 28 the Defence (Monetary Control) Regulations were gazetted to control the export of capital. For the year ended June 30, 1939, the value of Australia's exports, including non-monetary gold, was greater than the value of her imports. The balance of payments however, was unfavourable and accounted for a small decrease in overseas funds which

was not considered serious. At the same time there was a tendency towards a flight of capital to countries which would be likely to remain neutral if war broke out. This movement was largely occasioned by refugees and former residents of enemy countries who feared that the outbreak of war would mean confiscation of enemy aliens' properties. It was primarily to check this movement that the regulations were introduced, although they provided the authority for more drastic control if this became necessary.

CONTROL OF FOREIGN EXCHANGE

For the purposes of the regulations the trading banks have been appointed agents of the Commonwealth Bank, and no sales of foreign exchange can be made except through the Commonwealth Bank or a trading bank acting as its agent. All approved sales must be at the rates fixed, and on the conditions determined, by the Commonwealth Bank. Quotations for transactions in foreign currencies are based on the London rate with the centre concerned.

The original terms and conditions covering the sale of overseas exchange, which remain in force until further notice, provide that sales may be made as follows:—

- (a) In payment for goods already imported.
- (b) In payment for goods to be imported for ordinary trade or business purposes.
- (c) For reasonable bona fide travelling expenses (exclusive of fares) not exceeding £250 sterling for each adult person or £150 sterling for each person under the age of 21 years, reducible by any amount of overseas exchange otherwise provided for or available to the traveller. (In addition a traveller may take in currency for incidental expenses an amount not exceeding the equivalent of £25 Australian.)
- (d) For reasonable amounts for sustenance of a person living abroad, not exceeding £10 sterling per week for an individual.
- (e) For transmission to non-residents of Australia of interest and dividends earned in Australia.
- (f) For bona fide charitable donations and subscriptions not exceeding £25 sterling in any individual case.

Any applications for overseas exchange for an amount exceeding in any one month the sum of £5,000 sterling for, or on behalf of, the one person or firm or any applications for exchange for abnormal business shall be referred for determination to the Commonwealth Bank of Australia.

Subject to prior approval of the Commonwealth Bank, contracts for the sale of forward exchange may be made in respect of goods to be imported, provided the applicant is of undoubted reputation.

The export of Australian notes, except with the approval of the Commonwealth Bank, is prohibited; while the export of gold by any person other than the Commonwealth Bank, except with the Treasurer's approval, is not permitted. In addition, on September 9 an act relating to trading with the enemy came into operation which suspended transfers to enemy countries or for the benefit of any enemy.

EXPORTS UNDER LICENCE

Although these regulations aimed at checking the flow of capital, evasion was possible by exporting Australian produce, selling it, and depositing the proceeds abroad. To close this loophole, regulations were introduced September 23, effective September 25, to prohibit the export of any goods from the Commonwealth except under licence from the Customs Department, obtained at the loading port. Temporary exemptions from these regulations were allowed in the case of goods already on shipboard and on the wharf awaiting loading, provided they were loaded before midnight on Monday, September 25; goods exported through the post and not subject to any special restriction imposed by the Government; bona fide passengers' baggage and effects, not exceeding £100 in value; property of the Commonwealth Government; ships' stores; goods for

consumption in Australian territory, provided that the Customs Department is satisfied that the quantities proposed to be exported are not in excess of the usual quantities shipped by the exporter concerned.

Any shipping documents, bills of exchange, and other banking documents relating to the consignment must be delivered to the bank, which will pay to the shipper an amount in Australian currency equal to the value of the proceeds of overseas sales. For the purposes of the regulations, the trading banks will act as agents for the Commonwealth Bank.

To relieve regular exporters from the inconvenience of securing a licence for every individual shipment, special licences in such cases are granted. They cover all shipments of any specified commodity or commodity group during the currency of the licence from the ports specified on the licence.

CONTROL OF SECURITIES DEALINGS

Under the National Security (Securities) Regulations the Government has the power to assume ownership of all overseas securities held by residents of the Commonwealth. No person is allowed to take, send, or transfer any securities to any place outside Australia. The Treasurer is given authority to take possession of any foreign securities and to compensate the dispossessed person at a rate not less than the equivalent of the market value of such securities in Australian currency. Any holder of foreign securities may be required to furnish information about his holding.

A distinction is made between sterling and non-sterling securities. If the securities are sterling securities situated in non-sterling countries or non-sterling securities wherever situated, the owners are required to admit ownership. Returns must be rendered not later than November 4, 1939, for securities held on October 5, 1939, or for securities acquired subsequent to that date within thirty days of acquisition. If the securities are sterling securities situated in sterling countries no returns are necessary and transactions are permitted, except that no such securities may be exported from Australia or transferred from a register in Australia to a register outside Australia without permission.

The measures aim at securing control of the foreign exchange resulting from the sale of Australian produce and securities abroad, and are administered with a minimum of interference to legitimate business.

PRICE CONTROL

To check the upward tendency of prices, the Defence (National Security—General) Regulations fixed the wholesale and retail maximum prices to be charged by any trader for a scheduled list of commodities. The prices ruling on August 31, 1939, were taken as a basis, and no alteration can be made from this basis without authority. The act is administered by the Minister of Trade and Customs, who has the power to establish new levels from time to time.

The first schedules published covered a wide range of items, including baking powder, candles, cornflour, wheat flour, dates, dried and canned meat, matches, condensed milk, oatmeal, biscuits, rice, salt, soaps, canned and dried vegetables, tapioca, bread, butter, twine, certain piece-goods and mineral oils, aluminium and tinned plate and sheet, tea, coffee, cocoa, crude asbestos, cream separators, fertilizers, a wide range of papers, tinned fish, rubber tires and tubes, coal and coke, cement, and other building materials. Subsequent schedules included certain drugs and chemicals, sugar, surgical lint, gauzes and bandages, cotton wool, glycerine, linseed oil, and leather.

Applications for permission to increase prices above those current on the prescribed date (August 31, 1939) must indicate the price it is desired to charge and must give full reasons for the increase. The following information is required

with applications: country of origin; dates of importation of bulk of stock; landed duty paid cost into store; wholesale and/or retail selling price(s) charged by applicant on the prescribed date; extent of stocks held on August 31, 1939 (if possible both quantity and value should be shown); how these stocks compare with the annual sale of these goods made by the applicant; market price current on the prescribed date for similar goods at the same point of sale.

Order No. 2 under the National Security (Prices) Regulations provides another method of determining what shall be considered a fair price, and the price of certain products will be determined on this basis. The price of other products will be based on those ruling on August 31, 1939.

The second system is known as "the average cost system." Under these regulations "average cost" means, as regards goods of any particular quality, the cost ascertained by dividing the total cost of old stock and new stock by the total quantity of old and new stock. Old stock shall be considered any stock obtained at pre-war prices.

In the case of imported goods traders shall fix their prices for new stock on the above basis. In all cases a reasonable margin of profit is allowed by the authorities.

IMPORTS

So far the Commonwealth Government has taken no steps to license imports. The Trading with the Enemy Act prohibits the importation of merchandise made in enemy countries, unless it is clear that the property in the goods passed to non-enemy ownership prior to the outbreak of war. The Monetary Control Regulations may affect the ability of importers to pay for their purchases, by refusing to grant the requisite foreign exchange, thereby checking imports. So far legitimate traders have not experienced any difficulty in obtaining foreign exchange for their regular requirements.

It is expected, however, that some form of import control or selection will be introduced with the broad object of conserving the country's overseas funds for the purchase of those commodities which are considered essential or desirable for the successful completion of the present struggle. The whole range of imports may be classified in order of their importance to the national life, and restrictions applied to those which fall into the category of luxuries.

MARKETING OF AUSTRALIAN APPLES AND PEARS

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 25, 1939.—Unlike other primary and food products being acquired by the Federal Government, fresh fruit was not included in the list of essential supplies for the United Kingdom. Consequently, fears were recently expressed by growers and others that the necessary shipping space for conveying the surpluses of the Australian apple and pear crops to the important United Kingdom market would not be available.

These fears have been somewhat allayed by the recent announcement following a conference with the Australian Apple and Pear Board and the State Government representatives, that the Federal Government will acquire the next season's crop of apples and pears and establish a pool for its disposal. Extensive plans have been prepared for a complete scheme of orderly marketing, with fixed wholesale and retail prices, and a special drive will be organized to increase home consumption sales to counteract the shrinkage of export markets. The pool is to cover all phases of picking, packing, and distribution, and it is intended to make an advance of 2s. per case for apples and 3s. per case for pears—60 per cent by January 31 and 40 per cent by March 31, 1940.

IMPORTANCE OF EXPORT MARKETS

The importance of the export markets to Australian growers in point of view of value is indicated by the following figures of production and exports for the year ended June 30, 1937:—

	Production		Exports	
	Bushels	£A	Bushels	£A
Apples..	10,998,866	2,794,633	3,694,378	1,344,885
Pears..	2,692,207	669,782	673,624	320,325

Despite the plans for orderly marketing, there is the possibility of a glut in the Australian market during 1940, as, even were shipping space available, the rate per case of 15s. 11d. would render export impossible. The likelihood of a glut is further heightened by the fact that good fruit crops are expected following the dry conditions of the previous two seasons.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 16, 1939.—All stocks of old crop wheat in Australia (approximately 10,000,000 bushels) were taken over by the Commonwealth Government at midnight on October 9. This action was the outcome of a desire to clean up, as far as possible, all stocks available for export before the grain from the approaching harvest began to pour in. Exemption from acquisitions were provided for:—

1. All wheat owned and held by farmers on their farm for use and not for sale.
2. Wheat which was the subject of a contract of sale and was required to fulfil such contract.
3. Wheat held by a miller for the purpose of fulfilling contracts for the sale of flour or for satisfying his normal sales of flour for local requirements for the next 14 days.
4. Wheat held by any person other than the grower, which did not exceed in quantity 3,000 bushels and which was required for stock feed, manufacture, or resale or which was loading or in transit for sale by auction or private treaty.
5. Wheat held by a department of any State Government for experiment, research, or seed.

Prices for old wheat acquired were fixed by the recently constituted Australian Wheat Board as follows:—

Victoria, 2s. 10d. a bushel on trucks Melbourne basis.

New South Wales, bagged wheat 2s. 10d. on trucks and bulk wheat 2s. 8d. trucks, Sydney basis.

South Australia, 2s. 8½d. a bushel on trucks, Adelaide basis.

Western Australia, bulk wheat 2s. 7½d. a bushel f.o.b., bagged 2s. 9½d. f.o.b.

The higher prices fixed for Victorian and New South Wales wheat are primarily due to shortage of stocks within those states owing to the effects of drought. There was some concern on the part of wheat-growers on account of the prices fixed, and a suggestion was made that the Commonwealth Government make some allocation to growers by way of subsidy to render the production of wheat economic. It is not thought likely that any subsidy will be forthcoming in respect of the old season's wheat acquired.

PRICES AND SALES

Arrangements were made with the Commonwealth Bank for an advance of 2s. a bushel f.o.b. against old season's wheat. After allowing for expenses from

country stations, this will provide 1s. 4d. a bushel net to growers. In addition, approximately 5d. per bushel, being the amount still available from last year's collections of the tax on flour consumed in Australia, will be distributed to producers for wheat sold or delivered during the 1938-39 season or acquired by the Government. A total of £A750,000 (£A1 equals \$3.519 Canadian) will also be made available by the Commonwealth Government for the adjustment of farmers' debts for 1939-40.

So far, sales of 7,500,000 bushels of wheat have been made to the Imperial Government. Concurrently the sale of 50,000 tons of flour (of 2,000 pounds) to the Imperial Government, to be manufactured in all states according to milling capacity, for shipment in October, November, and December, ensures that the milling industry will be fully employed until December.

Freights naturally reflect the added costs due to war-risk insurance and other causes. The latest rate arranged was 45s. a ton English currency for transport from Western Australia to the United Kingdom. All chartering is controlled by the British Government, and it appears that all commodities will be shipped on a f.o.b. basis.

CROP PROSPECTS

On the whole, the prospects for the new crop continue satisfactory, although complaints of dry conditions are coming from the northern districts of New South Wales and parts of South Australia. The Australian yield may reach 175,000,000 bushels, but this is dependent upon conditions up to the time of harvest in December. It is anticipated that the Queensland crop will not meet the domestic requirements of that state and that at least 1,000,000 bushels will be required to be imported from New South Wales. Queensland will, therefore, not participate in the scheme for the marketing of the 1939-40 crop by the Australian Wheat Board. This scheme will be known as the No. 2 pool, and the wheat will be marketed on the best possible terms to the British Government and to friendly neutrals. It is reported that Japan is likely to be interested in supplies of Australian wheat not required by the Imperial Government.

TARIFF BOARD INQUIRIES IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, October 18, 1939.—The Commonwealth Tariff Board provides from time to time lists of items in regard to which inquiries have been requested either by interested Australian manufacturers or by the Commonwealth Department of Trade and Customs. Advance information of this nature is for general guidance only. The Commonwealth Tariff Board reserves the right to vary date or form of inquiry should circumstances arise necessitating that course.

Forthcoming inquiries which are expected to commence about the end of November or early December, 1939, are as follows:—

Files, being hand tools of trade. Question of the rates of duty that should be imposed. Origin of reference: Request for the imposition of protective duties.

Imitation gut covered by tariff item 390(A)(2). Question of the rates of duty that should be imposed. Origin of reference: Departmental.

Spectacle cases of the snap type covered by tariff item 322. Question of the rates of duty that should be imposed. Origin of reference: Request for increased duties.

Mercerized cotton yarn, classifiable under tariff item 392(A)(1), when dutiable other than under the British preferential tariff. Question of the rates of duty that should be imposed. Origin of reference: Request for increased duties under the general tariff.

Spoons of the type used in connection with the consumption of ice cream marketed in retail packages and sticks of the type used in the manufacture of ice cream sticks marketed in retail packages. Question of the rates of duty that should be imposed. Origin of reference: Requests for increased duties.

Carpets, carpeting, and carpet rugs covered by tariff item 118(A)(2) but not including (1) hand-woven carpets, carpeting, and carpet rugs; (2) finished, bordered carpet squares when exceeding 45 inches in width; and (3) carpet rugs when exceeding 45 inches in width. Question of the rates of duty that should be imposed. Origin of reference: Requests for increased duties.

Silk and artificial silk piece-goods. Questions as to whether (a) assistance should be granted to the production in Australia of hand-printed silk and hand-printed artificial silk piece-goods produced from silk and artificial silk piece-goods imported in the grey and, if so, the form which that assistance should take; and (b) silk piece-goods and artificial silk piece-goods imported in the grey should be admitted under tariff by-law for hand printing in Australia. Origin of reference: Request for the grant of assistance to the hand printing in Australia of imported silk and artificial silk piece-goods.

Knitted cotton piece-goods. Questions (a) whether knitted cotton piece-goods for use in the manufacture of goods other than apparel and other than polishing and cleansing cloths should be removed from the provisions of entry under tariff item 105(AA)(1), by-law No. 18 (Consolidated By-laws, page 6); (b) the rates of duty that should be imposed on such piece-goods if they be removed from the provisions of entry under tariff item 105(AA)(1); (c) the rates of duty that should be imposed on meat wraps covered by tariff item 133(A)(1); and (d) the rates of duty that should be imposed on scoured mosquito netting, scoured mutton cloth, and other waste fabrics used for cleaning or polishing purposes. Origin of reference: Requests for increased duties.

Every effort is made by the Canadian Trade Commissioners at Sydney and Melbourne to notify resident agents of Canadian manufacturers in regard to Tariff Board inquiries of this nature; but interested Canadian manufacturers are urged to supply their agents with as complete data as possible in respect of such items as factory cost, domestic discounts, average wages paid to skilled and unskilled workers, and any further data which would be of use to such agents in presenting an accurate picture to the Commonwealth Tariff Board.

Confidential information which would disclose valuable data to competitors may be submitted under confidential cover by agents on behalf of their principals for the information of the board only.

TRADE OF NEW ZEALAND, JANUARY TO JUNE

W. F. BULL, CANADIAN TRADE COMMISSIONER

(All values have been converted into dollars at the rate of \$4 Canadian to the pound New Zealand, the rate ruling throughout the first half of 1939)

Auckland, October 14, 1939.—During the first six months of 1939 the total overseas trade of New Zealand—according to preliminary statistics—amounted to \$259,874,600 as compared with \$257,664,812 in the corresponding period of 1938, an increase of \$2,209,788. Exports were valued at \$147,127,680, which is \$2,099,884 less than the value for the first half of 1938; imports at \$112,746,920 showed an increase of \$4,309,672 as compared with the first six months of 1938. The excess of exports over imports amounted to \$34,380,760 as compared with \$40,790,316 for the 1938 and \$65,491,824 for the 1937 period.

The heaviest export movement takes place during the first six months of the year, and it is necessary to build up a substantial margin of exports over imports in this period, since during the second half of the year imports usually exceed exports. As has already been reported, New Zealand imposed rigid import, export, and exchange control in December, 1938. As a result of this policy it was expected that overseas balances would be built up to a satisfactory level, but this has not been the case. The importation of several finished products has been prohibited, and imports of other products have been reduced in volume. However, the importation of plant and raw materials to be used in the local manufacture of prohibited articles more than compensated for any reduction, as shown by the total import figures. At the same time an effort has been made to increase exports, but so far this has not been successful

due to adverse weather conditions and the difficulty experienced by farmers in obtaining suitable farm labour. Import restrictions for the second half of 1939 are much more severe than they were in the first half of the year, and when the difficulty in obtaining overseas funds to pay for imports is added to the restrictions, the total value of imports must fall.

EXPORTS

The principal export commodities contributing to the decrease shown in the first half of 1939 were butter and cheese, frozen lamb, mutton, and pork; the reduction in the quantity of butter exported was 9·6 per cent, the figures being 1,388,518 cwts. (\$35,451,008) in the first half of 1939 and 1,535,291 cwts. (\$38,196,540) in the corresponding period of 1938.

The quantity of wool exported increased by 16·2 per cent, but the value (based on an average price of £14 1s. 5d. (\$56.28) per bale in the first six months of 1939 to £15 4s. 5d. (\$60.88) in the same period of 1938) increased by only 7·4 per cent. Frozen and chilled beef showed increases during the 1939 period in both quantity and value as compared with the 1938 figures. Cheese was exported to the value of \$12,743,792 in the period ended June, 1939, as compared with \$13,660,740 in the same period of 1938.

The principal increases in exports occurred in chilled meat, \$2,061,600 (\$1,716,236 in the 1938 period); frozen meats, \$2,303,516 (\$1,500,748); veal, \$533,980 (\$454,844); other meats, \$935,840 (\$892,380); potted and tinned meats, \$610,336 (\$437,816); dried milk, \$512,816 (\$432,904); peas, \$440,060 (\$366,808); onions, \$273,456 (\$8,492); potatoes, \$34,984 (\$9,764); cattle hides, \$989,080 (\$950,472); sheepskins without wool, \$2,519,908 (\$2,222,728); wool, \$41,196,864 (\$38,341,208); grass seeds, \$436,908 (\$414,744); and gold, \$2,294,984 (\$2,659,068).

In addition to butter and cheese, decreases in exports were recorded for: lamb, \$24,846,608 (\$26,302,288 in the 1938 period); mutton, \$3,596,032 (\$4,520,152); sausage casings, \$1,853,508 (\$2,133,088); fresh fruit, \$1,888,420 (\$2,315,396); and tallow, \$882,252 (\$1,267,392).

The value of exports to Empire countries during the first half of 1939 decreased from \$134,002,460 in the first half of 1938 to \$126,200,084. Shipments to the United Kingdom decreased in value by \$7,430,776. The United States absorbed an increased amount of New Zealand produce in the first six months of 1939, the values being \$5,517,012 in 1939 and \$2,129,564 in 1938. France also increased her purchases, from \$3,233,092 in the first six months of 1938 to \$5,717,052. Australia's purchases were \$48,244 more than the 1938 figure of \$5,175,800. Exports to Canada decreased by \$596,636 from \$3,011,288 in the first half of 1938 to \$2,410,652 in the same period of 1939.

IMPORTS

Statistics covering imports into New Zealand during the first half of 1939 are of particular interest in view of the import licensing legislation referred to previously in this report.

Imports from all countries at \$112,746,920 were higher than the corresponding 1938 figure by \$4,309,672. The principal increases were in imports from the United Kingdom (\$1,990,588) and Canada (\$2,033,940), while imports from Australia were \$655,248 less than in the first half of 1938. Those from the Netherlands East Indies, Germany, and the Netherlands showed increases, while the United States and Japan were among the foreign countries imports from which into New Zealand decreased this year.

The United Kingdom was as usual the chief supplier with \$53,916,580 (\$51,925,992 in the 1938 period) or 47·8 per cent of all imports into New Zealand, followed by Australia, \$13,378,772 (\$14,034,020) or 11·8 per cent; the United

States, \$12,165,108 (\$12,848,516) or 10·7 per cent; and Canada, \$11,451,684 (\$9,417,744) or 10·1 per cent. Canada as fourth largest supplier occupied the same position as she did in the first six months of 1938, but her percentage of the import trade decreased from 11·7 to 10·1.

Detailed statistics are not available covering commodities imported from all countries; following give the figures for all principal imports compared with those for the first half of 1938:—

Principal Imports into New Zealand

	Jan.-June 1939	Jan.-June 1938
Total imports.. . . .	\$112,746,920	\$108,437,248
Fish.. . . .	559,816	453,144
Wheat.. . . .	1,462,184	2,663,988
Salt.. . . .	219,204	162,908
Gin.. . . .	219,288	192,444
Whisky.. . . .	673,684	672,976
Cigarettes.. . . .	748,576	882,800
Hats, caps, millinery.. . . .	363,700	376,568
Hosiery.. . . .	658,016	688,800
Apparel n.e.i.. . . .	2,818,080	3,575,484
Boots, shoes and slippers.. . . .	1,199,148	1,199,288
Carpets, matting, linoleum.. . . .	1,485,012	1,465,980
Cotton piece-goods.. . . .	3,127,180	2,864,524
Silk and artificial silk piece-goods.. . . .	2,069,616	1,748,560
Woollen piece-goods.. . . .	1,776,020	1,720,544
Motor spirits.. . . .	4,110,436	4,156,004
Paints, colours, varnishes.. . . .	967,720	883,628
Iron and steel—		
Bar bolt and rod.. . . .	1,019,136	1,246,668
Galvanized plate and sheet.. . . .	1,283,780	852,460
Tubes, pipes and fittings.. . . .	1,530,780	1,169,736
Railway and tramway plant.. . . .	1,805,236	1,984,488
Tools and implements, artificers'.. . . .	668,584	691,756
Fencing wire, plain.. . . .	358,020	426,544
Hardware, cutlery and metal manufactures, n.e.i.. . . .	1,718,108	1,677,820
Electrical machinery and equipment.. . . .	6,053,548	4,313,412
Wireless apparatus.. . . .	817,212	994,748
Tractors and parts.. . . .	1,425,104	1,393,736
Typewriters.. . . .	135,880	175,416
Sawn timber.. . . .	921,604	773,180
Other timber.. . . .	658,256	307,376
Printing paper (newsprint).. . . .	882,920	896,656
Printing paper (other).. . . .	617,268	668,956
Stationery.. . . .	431,224	422,980
Motor vehicles.. . . .	12,641,028	12,336,384
Rubber tires for motor vehicles and motor- cycles.. . . .	2,060,020	1,434,756
Materials and parts, other, for motor vehicles	797,644	862,240

TRADE WITH CANADA

During the period under review the trade between Canada and New Zealand was valued at \$13,862,336 as compared with \$12,429,124 in the corresponding period of 1938. Exports to Canada at \$2,410,652 showed a decrease of \$596,636 as compared with the 1938 period, while imports at \$11,451,684 were \$2,033,848 over the figures for the corresponding period of 1938.

Butter exports to Canada showed the largest decrease. The 1938 figure was \$670,460, but no shipments were made in the first half of 1939. Fresh apples also showed a decline of \$185,448, from \$192,352 in 1938 to \$6,904 in 1939. The other large decrease in exports of New Zealand produce to Canada was shown in calfskins—from \$96,244 to \$41,608. The value of five commodities exported from New Zealand to Canada showed the following increases: cattle hides, \$91,288; sausage casings, \$86,024; greasy wool, \$80,476; frozen lamb and mutton, \$64,232; and slipe wool, \$49,188.

PRINCIPAL IMPORTS FROM CANADA

Tinned Fish.—1939, \$332,552; 1938, \$262,008.

Imports of Canadian canned salmon, pilchards, and sardines during the first half of 1939 showed a substantial increase over 1938, due largely to the transfer of business from Japan to Canada. The movement of canned fish into New Zealand has been prohibited except in cases where the importer owns uncontrolled funds with which to pay for his fish or the exporter is prepared to wait a year or two for his money. Canadian canners on the whole have refused business on the deferred payment plan, but Japanese canners are accepting a substantial volume on this basis.

Wheat.—1939, \$94,096; 1938, \$74,356.

All purchases of wheat from Canada are made by the New Zealand Government through the Canadian Trade Commissioner's office and the Department of Trade and Commerce. Efforts are being made by the Government to educate the bakers to the use of straight New Zealand flour, but it is expected that some quantities will continue to be purchased from Canada for blending.

Jellies, Concentrated.—1939, \$4,616; 1938, \$20,472.

Arrangements have now been completed for the manufacture of a Canadian brand of jelly in New Zealand under royalty, and as soon as present imported stocks are consumed, no further supplies of the Canadian-made article will be available.

Provisions n.e.i.—1939, \$99,008; 1938, \$71,384.

This item continues to show an increase as a result of the amount of canned foodstuffs on order prior to the gazettement of the import restrictions.

Fur Skins, Green and Sundried.—1939, \$66,536; 1938, \$32,972.

Under the Government's policy of licensing raw materials in preference to completely manufactured products, the trade in raw fur skins for manufacture in New Zealand should increase at the expense of dressed and made-up furs.

Hats, Caps, and Millinery.—1939, \$21,916; 1938, \$34,760.

This is another item which will continue to decrease, as there is a well-established local industry and imports under this heading have been completely prohibited for the second half of 1939.

Hosiery.—1939, \$83,376; 1938, \$188,876.

The local hosiery manufacturers are making good progress, and New Zealand hosiery is meeting with approval in the trade. Some orders for greige hosiery from Canada for finishing in New Zealand have been licensed, but the importation of finished hosiery has now been prohibited. Total imports of hosiery from all sources were valued at \$658,016 as compared with \$688,800 in the corresponding 1938 period.

Apparel n.e.i.—1939, \$178,140; 1938, \$243,236.

Total imports under this heading declined in value from \$3,575,484 to \$2,818,080, and the importation of wearing apparel will continue to decrease. There is a well-established clothing industry in New Zealand, and a large number of new firms have started the manufacture of dresses as a result of the restrictions. For some time at least the former very profitable sale of Canadian dresses in this market will be limited to a few samples for copying.

Gum Boots.—1939, \$271,684; 1938, \$266,924.

As gum boots are chiefly used by the farming community in New Zealand, imports are likely to continue at about the usual volume.

Leather Footwear.—1939, \$96,840; 1938, \$61,056.

Imports of footwear from all sources were at almost exactly the same level as in the corresponding period of 1938. As imports are now prohibited from all countries, this increase in purchases from Canada is probably the result of the filling of outstanding contracts.

Rubber Footwear.—1939, \$70,748; 1938, \$50,988.

The increase in imports under this heading is accounted for by the fact that foreign imports have been prohibited, and orders which normally would have gone to Japan have been filled from within the Empire. A local firm has begun the manufacture of rubber footwear, and it is expected that this firm will be allotted an increasing share of the New Zealand market at the expense in part of Canadian manufacturers.

Hat Hoods, Unblocked.—1939, \$44,524; 1938, \$24,812.

Owing to the policy of promoting the expansion of domestic manufacture in New Zealand, such items as hat hoods should continue to show increases. There has been some inquiry lately for further sources of supply in Canada.

Silk and Artificial Silk Textiles.—1939, \$100,044; 1938, \$44,060.

With the decline in imports of dresses from Canada, the demand is growing for Canadian textiles for making up locally, and this should offset in part the loss in the former trade.

Batteries and Parts, Other Than Storage.—1939, \$40,268; 1938, \$52,940.

The local manufacture of batteries is proceeding very satisfactorily, and it is anticipated that in a short time this item will disappear from the import statistics.

Washing Machines.—1939, \$211,388; 1938, \$159,856.

Although electricity is widely used throughout New Zealand for cooking and other purposes, the general use of electric washing machines is only now developing. Canadian manufacturers controlled this trade and were making excellent progress in the New Zealand market up to the imposition of import control. Within the next month three local factories will be producing washing machines, and two other firms are studying the matter. Canadian motors, wringers, and other parts will be used by local manufacturers, and the importation of parts should in time exceed the former importation of completed washers.

Electric Motors.—1939, \$90,596; 1938, \$64,012.

With the increased local manufacture of washing machines, refrigerators, and other household appliances, the demand for electric motors will increase. There is no prospect of this item being made in New Zealand at the present time, and Canadian manufacturers should get most of this business.

Timber, Rough Sawn.—1939, \$120,656; 1938, \$123,668.

Although labour costs are very high at present, there is considerable activity in the building trade and the demand for rough sawn Douglas fir continues. The imports of Douglas fir accounted for \$103,240 of the total for the first half of 1939.

Cardboard and Wallboard.—1939, \$146,260; 1938, \$127,816.

Total imports under this heading were valued at \$764,576 in the first six months of 1939 as against \$573,716 in the corresponding period of last year. The Whakatane Paper Mill is now in production, working 24 hours a day on the manufacture of chipboard. Local box-makers are obliged to purchase this New Zealand board, and imports from Canada will decrease.

Newsprint.—1939, \$675,468; 1938, \$719,236.

The decrease in newsprint imports is not to be taken as an indication of any lack of demand. The long-term contracts for this material will continue to keep up import figures from Canada.

Motor Vehicles:

Passenger Vehicles c.k.d., other than Buses.—1939, \$3,973,284; 1938, \$2,582,788.

Lorries, Trucks, Vans, and Buses and Chassis for, c.k.d.—1939, \$1,243,664; 1938, \$1,092,084.

Motor vehicles accounted for 46 per cent of all imports from Canada into New Zealand during the first half of 1939, and both passenger cars and commercial vehicles were imported from the Dominion in greater volume than ever before. As a result of increased manufacturing facilities in Canada, one of the large shippers was able to increase his Canadian content to the point where it paid to transfer the New Zealand business from the United States to Canada. In spite of disturbed business conditions, total sales of motor cars and trucks have held up very well. There will be a decided drop in imports of motor vehicles for the remainder of this year, as most of the manufacturers brought down their total 1939 requirements earlier than usual as a result of new Government Determination requiring the use of an increased number of New Zealand parts in all motor vehicles assembled in New Zealand.

Pneumatic Rubber Tires and Inner Tubes.—1939, \$766,808; 1938, \$659,588.

The increase of \$314,396 in the import value shown under this item for the first three months of this year has not been continued, and it is expected that import restrictions will further curtail the movement of tires from Canada to New Zealand.

Detailed statistics covering New Zealand's imports from and exports to Canada during the first six months of 1939 are on file at the Department of Trade and Commerce, Ottawa, and may be had on application (quoting file No. 18806-2).

BERMUDA FLOUR AND FEED MARKET

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

(Values are shown in Canadian dollars, converted at \$4.86 to the pound sterling)

New York, October 27, 1939.—As Bermuda is not a milling centre, this colony is exclusively an importing centre for flour and flour products.

FLOUR

Statistics of imports of flour by countries of origin, shown in the following table, indicate that Canada to a great extent controls this trade, although United States mills make certain shipments based upon relative market values:—

Bermuda Imports of Flour

	1938		1937		1936		1935	
	Lbs.	\$	Lbs.	\$	Lbs.	\$	Lbs.	\$
Canada	4,166,111	116,625	4,799,836	155,919	4,437,709	121,306	4,413,962	111,270
United States	10,427	2,454	123,525	4,534	115,630	3,451	53,088	1,662
United Kingdom	59,008	1,832	.....	.....	4,900	107	27,392	539
France .. . . .	.....	.....	.....	.....	.....	.....	.....	.....
Germany .. . . .	.....	.....	.....	.....	.....	.....	.....	.....
Australia .. . . .	.....	.....	.....	.....	7,000	102	.....	.....
Total	4,235,546	120,911	4,923,361	160,453	4,565,239	124,966	4,494,442	113,471

As will be noted, there was an increase in imports in 1937, but generally speaking the total trade is very steady and remains in the neighbourhood of four to four and one-half million pounds per year, dependent to some extent upon conditions in tourist traffic.

BRITISH ADMIRALTY CONTRACTS

In view of Bermuda being a naval station and the headquarters of the West Indies squadron, tenders for flour are called for at regular intervals by the British Admiralty. Such tenders are dealt with almost exclusively by Hamilton, Bermuda, agents and importers, who cable their principals for quotations.

GRADES OF FLOUR IMPORTED

Both for Admiralty contracts and for sales to the general public the chief demand is for top patent grade. Shipments are made in the usual 98-pound cotton bag both for Admiralty and domestic consumption; for the bakery trade flour is packed in 140-pound jute bags.

Despite the United States flour subsidy, at present \$1.10 per barrel and recently as high at \$1.50 per barrel on flour milled in the United States, Canadian flour continues to be largely in demand, since apart from any price consideration both the bakery trade and housewives are more used to working this grade.

Under the British preferential tariff, the preference on Canadian flour is only 2½ per cent, so has little or no effect on purchases.

Certain quantities of soft winter wheat flour were previously shipped from England and are now cut off owing to the war. Such supplies are now being shipped from the United States, there being a subsidy on domestically milled flour.

PRICES

Canadian top patents were quoted in the latter part of October at \$4.30 per barrel, Canadian funds, packed in cotton, f.o.b. Montreal or New York. Corresponding United States household patents milled from domestic wheat,

which obtain the subsidy, are also approximately \$4.30 per barrel, f.o.b., New York, but in United States funds. Thus Canadian supplies are considerably cheaper at the present time owing to the exchange and the small preferential tariff.

Prices for soft winter wheat flour, f.o.b., Montreal, are approximately \$3.75 per barrel, Canadian funds, packed in cotton. United States offers are somewhat lower at approximately \$3.40 per barrel, United States funds. It may be added that the use of jute bags instead of cotton reduces prices by approximately 10 cents per barrel.

FEEDS

Imports of feeds into Bermuda are fairly large considering the small population, but it will be recalled that motor traffic is not permitted on these islands and, apart from one railway, the inhabitants are dependent principally upon horse-drawn vehicles for transportation. In addition to feed for horses, there is a demand for feeding stuffs for cattle and poultry.

Official statistics for the years 1935 to 1938, as shown in the appended tables, indicate that Canada is the principal source of supply for all imports of feedstuffs with the exception of mixed grains.

Bermuda Imports of Mixed Grain

	1938		1937		1936		1935	
	Lbs.	\$	Lbs.	\$	Lbs.	\$	Lbs.	\$
Canada	1,274,927	21,632	2,408,697	54,033	592,040	11,640	893,101	17,690
United States	5,568,587	95,995	2,763,163	59,175	460,380	7,961	873,542	19,464
United Kingdom	36,041	1,225	116,342	1,997	.....	.....	.....	.....
Denmark .. . . .	.....	.....	3,416	87	.....	.....	.....	.....
South America .. . . .	.....	.....	491,013	7,173	371,062	4,700	308,000	3,640
Total	6,879,555	118,852	5,782,631	122,465	1,423,482	24,301	2,074,643	40,794

Bermuda Imports of Wheat

	1938		1937		1936		1935	
	Lbs.	\$	Lbs.	\$	Lbs.	\$	Lbs.	\$
Canada	300	5	720	15	1,980	39	21,940	418
United States	698	15	.....	.....	.....	.....	.....	.....
Total	998	20	720	15	1,980	39	21,940	418

Bermuda Imports of Bran

	1938		1937		1936		1935	
	Lbs.	\$	Lbs.	\$	Lbs.	\$	Lbs.	\$
Canada	1,452,442	17,175	1,518,800	23,469	532,900	5,987	1,259,100	17,642
United States	44,500	1,200	.....	.....	112,000	1,064	4,500	73
South America	42,700	3,742	892,804	8,986	582,997	11,542	807,162	7,470
Total	1,973,942	22,117	2,441,604	32,455	1,227,897	18,593	2,070,762	25,185

Bermuda Imports of Pollard

	1938		1937		1936		1935	
	Lbs.	\$	Lbs.	\$	Lbs.	\$	Lbs.	\$
Canada	839,246	11,513	1,004,900	16,077	498,921	5,331	528,600	10,099
United States	59,500	612	500	10	57,632	637	546,300	10,940
United Kingdom	1,560	24	.....	.....	.....	.....	.....	.....
South America	91,000	899	582,272	6,352	966,546	8,451	790,023	6,857
Total	991,306	13,048	1,587,672	22,439	1,523,099	14,419	1,864,923	27,896

Bermuda Imports of Oats

	1938		1937		1936		1935	
	Bush.	\$	Bush.	\$	Bush.	\$	Bush.	\$
Canada	242,774	93,579	240,641	144,211	221,689	10,152	154,863	74,674
United States	54,239	22,672	990	491	.....	.....	244	135
South America	60	39	1,500	705	.....	.....	5,176	1,866
Holland	900	423	.....	.....	.....	.....	.....	.....
Total	297,973	116,713	243,131	145,407	221,689	10,152	160,283	76,695

Bermuda Imports of Hay

	1938		1937		1936		1935	
	Lbs.	\$	Lbs.	\$	Lbs.	\$	Lbs.	\$
Canada	7,020,000	39,580	6,228,166	42,705	5,599,474	36,275	5,067,326	41,159
United States	11,972	146	47,739	651	2,000	24	4,999	63
Total	7,031,972	39,726	6,275,905	43,356	5,601,474	36,299	5,072,325	41,222

Mixed grains are chiefly chicken and cattle feeds selling under special trade names and are mostly imported from the United States. However, Canada does obtain a certain amount of this trade, as do South America and the United Kingdom. Canada has had control of the trade in bran and pollard (or middlings) with some competition from South America. However, the division of this trade between Canada and South American countries depends greatly upon price, Bermuda usually buying in the cheapest market. With regard to oats, wheat, and hay, Bermuda imports almost all of her requirements of these products from Canada. Receipts of wheat are almost negligible, such supplies as are imported being used for feed purposes.

All the feed trade is handled for the most part by the same agents and importers, located in Hamilton, Bermuda, as handle the trade in flour, and is confined to approximately a half-dozen firms. Canadian exporters interested in establishing contacts with these firms may obtain their names by applying to the Department of Trade and Commerce, Ottawa, or to the office of the Canadian Trade Commissioner, 620 Fifth Avenue, New York City.

BAHAMAS FLOUR TRADE

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, November 22, 1939.—Among all the imports into the Bahamas, wheat flour is the most important, exceeding as it does every other single item in value and amounting in quantity during 1938 to nearly one bag of 196 pounds per head of population. There are two reasons for the extraordinarily high per capita importation: first, the lack of any substantial production of ground provisions; and second, the annual influx into the colony of a great number of winter visitors. A falling-off in imports during 1939 is already evident, due no doubt to the expected decline, resulting from the war, in the number of tourist visitors.

The following table shows the number of bags of 196 pounds and c.i.f. values of flour brought into the Bahamas during the past five years, with countries of origin:—

	1934	1935	1936	1937	1938
United Kingdom.. . . .Bags	5,639	18,233	11,478	5,674	6,059
£	4,735	15,518	10,621	7,099	6,061
Australia .. . . .Bags	.....	.....	.....	9,183	10,002
£	.....	.....	.....	10,918	9,260
Canada.. . . .Bags	33,714	30,506	41,774	35,150	38,266
£	30,231	29,412	42,337	47,688	39,583
United States .. . . .Bags	171	142	126	160	427
£	234	199	181	251	580
Total .. . . .Bags	39,524	48,881	53,378	50,167	54,574
£	35,200	45,429	53,139	65,956	55,484

The bulk of the imports are handled by the larger merchants, who buy for their own account and distribute to the trade, but there are also a number of agents who sell for their principals on a straight commission basis. The proportion of baking grades imported, as compared with the so-called "counter" grades, is relatively high, much greater for instance than is the case in Jamaica, where the "counter" grades represent over 50 per cent of the total flour sold.

Import duties are at the rate of 1s. per bag of 196 pounds under the British preferential tariff and 3s. under the general tariff.

Wheat is not grown in the colony, and imports are negligible.

BRITISH HONDURAS FLOUR MARKET

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, November 13, 1939.—Flour is a relatively important item of import into British Honduras. In 1938 imports amounted to 42,181 bags of 196 pounds, which for a colony of barely 58,000 inhabitants is admittedly high. The reason for this high per capita import is the fact that British Honduras' output is chiefly mahogany lumber and logs, and chicle gum, and the production of ground provisions, which might replace flour to some extent in the local diet, has not been greatly developed. There is no local production, and therefore no export, of domestic flour, but a certain amount of imported flour is re-exported from time to time to Mexico.

As in most of the smaller West Indian colonies, the baking of bread is still carried on in a relatively primitive fashion. Baking control as understood and practised in Canada is unknown, and rule-of-thumb methods are generally followed.

FLOUR IMPORTS

The following table shows total imports of wheat flour into this colony by countries of origin during the past five years, values being c.i.f. and quantities in bags of 196 pounds:—

	1934		1935		1936		1937		1938	
	Bags	\$	Bags	\$	Bags	\$	Bags	\$	Bags	\$
United Kingdom.. . . .	17,109	61,868	24,394	103,003	20,055	97,430	11,517	74,290	12,267	61,628
Australia .. . . .	.....	.....	.....	.....	.....	.....	.....	.....	1,477	7,564
Canada	10,213	48,706	11,432	54,596	13,049	66,867	13,175	88,827	11,530	60,363
United States	167	1,164	758	4,420	574	3,186	9,963	54,962	16,907	63,520
France	100	332	220	791	.....	.....	.....	.....	.....	.....
Mexico	125	359	100	640	26	146	.....	.....	.....	.....
Total.. . . .	27,714	112,429	36,904	163,450	33,704	167,629	34,655	218,079	42,181	193,075

It will be noted that in 1938 the trade was fairly evenly divided between Canada, the United Kingdom, and the United States, with a small quantity from Australia. Under existing conditions arrivals are not expected from the United Kingdom, and there is no present indication of increases from Australia. The bulk of Canada's shipments are in the baking grades, but the market absorbs a larger proportion of the so-called counter grade than baking. This (counter) grade is used generally for household purposes and in the mahogany camps. The possibilities of Canadian mills increasing their sales depends largely on their ability to supply the low-grade flour, which comprises probably two-thirds of the colony's requirements.

There are several distributors in Belize in a large way of business, who as a rule import for their own account and resell to the trade. There are also a number of small commission agents who dabble in flour and in some cases seek credit. Great care should be exercised by mills in shipping to or for agents in this category without the fullest investigation first being made.

Import duties are at the rate of 75 cents per 196 pounds general and 25 cents preferential tariff. There is also a package tax of 10 cents per package, which is applicable to importations from all sources.

A system of price control has been instituted under the Emergency Powers (Defence) Act. Under this system only two grades of flour are recognized: baking, and "ration" or "counter," and a maximum price is fixed for each grade.

There are no wheat importations, and none is grown in the colony.

WHEAT FLOUR MARKET IN HAITI

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.204 pounds; one gourde equals at par 20 cents Canadian)

Havana, October 26, 1939.—There is no market in Haiti for wheat in the grain. There are no flour mills which could utilize this commodity. Further, there is no wheat produced in the republic.

WHEAT FLOUR IMPORTS

Haiti offers a small but worthwhile market for wheat flour in which Canadian mills have an excellent chance of being able to compete. For the period 1934-38, the average quantity imported amounted to 54,836 barrels of 196 pounds. The following table shows the quantities and values of wheat flour imports in the above-mentioned period by principal supplying countries:—

	United States	Canada	United Kingdom	Other Countries	Totals
1933-34—					
Kilos	11,507,166	1,503,639	.....	.....	13,010,805
Gourdes	3,281,283	417,282	.....	.....	3,698,565
1934-35—					
Kilos	9,511,568	1,275,365	.....	2,296	10,789,229
Gourdes	2,890,900	377,155	.....	655	3,268,710
1935-36					
Kilos	10,828,538	1,052,131	.....	13,415	11,894,084
Gourdes	3,477,405	333,762	.....	4,026	3,815,195
1936-37—					
Kilos	10,274,850	292,356	11,073	6,727	10,585,006
Gourdes	3,989,914	116,560	3,823	2,563	4,112,860
1937-38—					
Kilos	7,304,735	155,343	13	.....	7,460,091
Gourdes	2,713,627	58,870	28	.....	2,772,525

Imports have shown considerable fluctuation in the period covered by the foregoing table. This fluctuation followed fairly closely the fluctuation of that period in the price of wheat. It is noteworthy that the total number of barrels brought into the country in the fiscal year 1933-34, a period of low wheat prices, was 66,382, whereas the total quantity imported dropped to 38,061 barrels in 1937-38 when wheat prices were generally higher than they had been for several years. Wheat flour is one of the most important products imported into Haiti and the demand for it is constant. However, when wheat prices are high the volume of sales drops, since the average purchasing power of the population is low and a considerable proportion of the people, for price reasons, must turn to locally-produced food substitutes.

CANADIAN PARTICIPATION

As shown by the figures in the table, United States millers have almost a monopoly of the flour trade of the republic. Canada is the only other country which obtains any appreciable share of the business. The figures of imports from Canada given in this table, which is based on Haiti trade returns, do not reflect the true picture of Canadian participation in this trade. These figures cover only those shipments of Canadian flour which were not routed through United States ports. It is known that much of the Canadian flour shipped to the republic through the port of New York is normally credited to the United States, since that is the port of shipment. In addition, the important share of the total trade enjoyed by the Buffalo mills is based mainly on flour made from Canadian hard wheat imported and milled in bond. In this respect, the situation in Haiti is similar to that which prevails in other parts of the West Indies. On the whole, therefore, the Canadian participation in the trade is appreciably greater than the import figures indicate. It has been stated by

importers and government officials that practically all of the flour shipped from the port of New York is subject to duty drawback. Therefore, the inference is that it was milled originally in bond from Canadian wheat.

Although New York is the principal port of shipment for flour to Haiti, an appreciable quantity is also received through United States Pacific and Gulf ports. These shipments are mainly soft wheat flour for the usual household uses and for the biscuit and pastry trades. However, the total shipments in any year from all these ports combined do not equal in weight the shipments of flour from the port of New York. In addition to shipments through these United States ports, Canadian flour has been shipped to Haiti from Vancouver.

CUSTOMS DUTIES

The customs duty on wheat in the grain is gourde 0.11 per kilogram net, and on wheat flour gourde 0.25 per kilogram net. On the basis of one gourde being equal to 20 cents Canadian currency at par, the customs duty on wheat flour entering Haiti is 5 cents Canadian per kilogram net, or about \$4.45 per barrel of 196 pounds. In addition, there is a customs surtax in force on all products amounting to 20 per cent of the duty.

Both Canada and the United States have most-favoured-nation treaties with Haiti; accordingly, flour from either country is on the same tariff basis.

EXCHANGE, QUOTA, AND CLEARING REGULATIONS

There are no foreign exchange, quota, or clearing regulations in force in Haiti covering either wheat or wheat flour. No difficulty in this respect would be encountered in the collection of drafts drawn upon importers.

SHIPPING ROUTES

The only shipping service between Canadian and Haitian ports is that operated by the Canadian National Steamships. This service, however, will call at Port-au-Prince only when sufficient cargo offers. A regular line connects Port-au-Prince with New York and offers good shipping service to that port.

PROSPECTS FOR CANADIAN FLOUR

Although the total market is not large, it would be worth while for Canadian millers to extend the trade which they are doing at the present time. Canadian flour is already established and little difficulty should be experienced in competing effectively with the Buffalo mills for the bread-flour trade. This trade forms the greater part of the business. The imports of soft wheat flours from the Pacific coast and from the southern United States do not reach the volume of the hard wheat-flour trade.

WHEAT FLOUR MARKET IN PUERTO RICO

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, October 26, 1939.—There is no market in Puerto Rico for wheat in the grain from any source and practically none for wheat flour from any country other than the United States.

No wheat is grown on the island and none is imported, as there are no wheat flour mills established in any part of the country.

WHEAT FLOUR IMPORTS

The table below gives the quantity and value of imports of wheat flour in barrels of 196 pounds and United States dollars for the fiscal years ending June, 1934, to June, 1938, inclusive:—

United States—	1933-34	1934-35	1935-36	1936-37	1937-38
Bbls.	403,843	373,707	388,465	416,745	458,103
\$	2,077,394	2,123,623	2,210,336	2,240,520	2,321,623
Other countries—					
Bbls.		29	70		
\$		252	4,411		

It will be seen that United States millers have a complete monopoly of the wheat flour trade. Puerto Rico being an integral part of the United States, flour from the mainland is not subject to the normal customs duty of \$1.04 per 100 pounds levied upon all flour of foreign origin. Abundant supplies of the exact type of flour to which Puerto Rican bakers are accustomed, proximity to the market, convenient steamship services, and duty-free entry are the chief reasons for the complete dominance of the trade by the millers on the United States mainland.

TYPE OF FLOUR IN DEMAND

The type of flour in demand for the manufacture of bread is almost wholly the higher grades of flour made from hard winter wheat grown in the United States. As Canadian wheat cannot be milled in bond and the resultant flour shipped to Puerto Rico without payment of the United States customs duty on the wheat used, practically no flour milled from Canadian wheat is shipped to the island. In this respect, the flour trade of Puerto Rico differs from that of the majority of the republics and island possessions of foreign countries in the West Indies area. The flour trade of Puerto Rico must be considered a purely domestic United States trade with little or no prospect for Canadian participation in it.

Efforts have been made in the past by Canadian mills to introduce Canadian flour, but the Puerto Rican baker generally finds it so much harder to work than the flour to which he is accustomed, that little interest has been shown in it. As is the case practically throughout the West Indies, the baking equipment used in Puerto Rico is antiquated and comparatively primitive. The difficulty of working high-grade Canadian flour by hand and without the aid even of simple baking machinery, combined with the factor of much higher price, has made it impossible so far to induce the local baker to use Canadian flour.

In addition to the hard winter wheat flour imported, there is also an average quantity of soft wheat flour brought in for the general biscuit and pastry trades. This is also entirely of United States origin, milled from soft wheats produced in the southern states.

All flour is imported in bags of 200 pounds net.

Under prevailing conditions there appears to be no prospect whatever of Canadian millers being able to participate in the Puerto Rican flour trade.

BAKING PRACTICE

The usual measure for bread used by the bakers is as follows: flour, 200 pounds; water, 120 pounds; yeast, 2 pounds; salt, 4 pounds—a total of 326 pounds. The dough obtained from this mixture is expected to produce a weight of 5.216 ounces. This is divided into pieces of 21 ounces, giving an average production of 248 to 250 loaves of 1 pound each.

EXCHANGE AND QUOTA REGULATIONS

There are no foreign exchange, quota, or clearing regulations in force at present in Puerto Rico covering either wheat or wheat flour. No difficulty in this respect will be encountered in the collection of drafts drawn upon importers.

SHIPPING ROUTES

No direct regular steamship service operates between Canadian and Puerto Rican ports. The only satisfactory shipping route is through the port of New York, from which regular services operate to San Juan, the capital of Puerto Rico.

MARKET FOR WHEAT AND FLOUR IN THE DOMINICAN REPUBLIC

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(One kilogram equals 2.204 pounds; one dollar Dominican at par equals one dollar Canadian)

WHEAT

Havana, October 25, 1939.—The market for wheat in the Dominican Republic is small and unimportant. Low purchasing power of the people, a relatively small population, and very limited milling facilities tend to limit the market to a few thousand bushels annually.

IMPORTS

For the years 1936 to 1938 inclusive, the average annual imports of wheat amounted to only 48,000 bushels. There was, however, a steady increase over those years, the 1938 imports reaching the figure of almost 56,000 bushels. Wheat-milling in the republic is a comparatively recent industry, and it is only since 1936 that wheat has been separately classified in the import statistics.

Imports for the above-mentioned period by supplying countries were as follows:—

	1936		1937		1938	
	Kilos	\$	Kilos	\$	Kilos	\$
United States.. . . .	79,587	3,291	282,297	14,726	966,742	41,665
Canada.. . . .	988,464	40,260	1,050,416	57,347	559,459	19,535
Argentina .. . . .	.....	.....	625	38	.....	.....
Total	1,068,051	43,551	1,333,338	72,111	1,526,201	61,200

As shown by the above figures, Canada in normal years is the principal supplier of wheat. The only other supplier of any importance is the United States. The marked drop in Canada's shipments during 1938 and the corresponding rise in those from the United States was due entirely to the short crop in Canada in 1937. The resulting high price for Canadian wheat of all grades as compared with the prevailing prices of United States wheat made it impossible to purchase Canadian wheat until the latter part of the year, when 1938 crop wheat became available. Although Canadian wheat is preferred because of its higher quality, price is the controlling factor in the republic's purchases of this commodity. In normal years, when a balanced price is maintained between Canadian and United States hard wheats in accordance with the world demand, the former would be selected because they produce a stronger flour.

No wheat whatever is grown in the Dominican Republic and the local mills depend entirely upon the imported product.

CUSTOMS DUTIES AND INTERNAL REVENUE TAX

Wheat in the grain enters duty free. Similarly, no internal revenue tax is levied on wheat when imported into the country. Canadian wheat, therefore, suffers no customs duty handicap in relation to the wheat of any other country. While wheat enters free, there is a heavy import duty on wheat flour, plus internal revenue tax, so that local flour mills are afforded strong tariff protection.

SHIPPING ROUTES

There is no direct regular steamship service between any Canadian port and any port in the Dominican Republic. All shipments must be routed through those United States ports (principally New York) which serve the republic. Shipment from stocks of Canadian wheat held in United States Atlantic ports is probably the most convenient method to handle this business.

EXCHANGE AND QUOTA REGULATIONS

No quota regulations of any kind covering the import of wheat have been established. There are likewise no foreign exchange control regulations in force. No import permits are necessary, and Canadian exporters will encounter no difficulties other than of a straight commercial nature in collecting drafts drawn upon importers. In all these respects the Dominican Republic is a free market.

SALES PROSPECTS

The volume of wheat which can be sold will depend entirely upon the progress made by the local milling industry. Although at present this is small and relatively unimportant, it has made noticeable progress since it was first established. There is the possibility that, when its position becomes stronger, it will endeavour to cater not only to the cheap flour trade as at present, but also to the high-grade flour trade, which is supplied entirely at present by imported brands. In such case wheat consumption will increase proportionately. Providing Canadian wheat is made available at competitive prices, quality considered, Canadian exporters should retain in normal crop years their present majority share in the imports.

FLOUR

The market for imported wheat flour in the Dominican Republic amounts annually to from 45,000 to 47,000 bags of 196 pounds. In addition, local production supplies some 12,000 to 14,000 bags. Total consumption is accordingly in the neighbourhood of 60,000 bags per annum. The per capita consumption of wheat flour is very small. This is due principally to the low purchasing power, which makes imported flour practically a luxury foodstuff. Only a comparatively minor percentage of the total population can afford to use wheat flour as a normal article of diet. The price of wheat flour is high in the republic, mainly due to the high rate of customs duty and the internal revenue tax which is levied on flour.

CUSTOMS DUTIES AND INTERNAL REVENUE TAX

The customs duty rate is \$4.50 per 100 kilograms net weight. The internal revenue tax is \$2 for the same unit of weight. When this total of \$6.50 is added to the c.i.f. cost, flour generally is placed beyond the reach of the great majority of the population. Local importers estimate that these government duties and taxes, plus handling and delivery charges, amount to about \$6.60 per 196-pound bag. Since these high rates were imposed, the import trade in the cheaper grades of flour has been almost wholly wiped out. What are imported at the present time are the higher grades of hard wheat flour suitable for bread and soft wheat flour for the biscuit and pastry trades.

All supplying countries are on exactly the same tariff basis.

LOCAL PRODUCTION

The greater part of the cheap flour trade has been taken over in recent years by two small domestic flour mills, one of which is located on the south coast in San Pedro de Macorís, and the other on the north coast in Puerto Plata. These two small mills each produce about 600 bags of 196 pounds per month. The output of both mills is almost entirely straight flour milled mostly from Canadian wheat.

Because of the import duties and taxes previously enumerated, the price of the local flour is considerably lower than the price at which imported flours of similar grade could be landed. However, in spite of the fact that wheat in the grain enters free of customs duty and internal revenue tax, the market for this

cheap flour is restricted because of the low purchasing power of the working class.

Local flour production has had little adverse effect upon the sale of high-grade bread flour, which is still wholly imported. However, it has practically eliminated the import of the lower grades of flour in which Canada at one time did a moderate business.

IMPORTS

The following table shows the total imports of wheat flour into the republic by supplying countries for the calendar years 1934 to 1938 inclusive:—

		United States	Canada	France	Other Countries	Total
1934	.. . . . Kilos	4,656,370	526,563	.....	....	5,182,933
	\$	220,562	23,285	.....	....	243,847
1935	.. . . . Kilos	4,493,146	297,635	25,227	26	4,816,034
	\$	222,266	13,327	803	5	236,401
1936	.. . . . Kilos	4,353,253	376,564	.....	....	4,729,817
	\$	228,816	17,746	.....	....	246,562
1937	.. . . . Kilos	4,053,112	106,514	.....	1	4,159,627
	\$	280,202	6,725	.....	3	286,930
1938	.. . . . Kilos	4,197,902	89,654	.....	50	4,287,606
	\$	247,974	4,613	.....	5	252,592

As shown by the above table, the United States has practically a monopoly of the republic's import flour trade. As in the case of Cuba, the Buffalo mills dominate the business; although the soft flour trade for biscuit and pastry use is in the hands of millers in the southern United States. Almost the whole of the flour imported for bread purposes is supplied by the Buffalo mills. This flour is generally supposed to be ground in normal years from Canadian wheat imported and milled in bond. This is undoubtedly correct, since the bakers demand a very strong flour.

There are several reasons for the predominance in the market of the Buffalo mills, among them being convenience of shipping facilities, provision of the treated flour required, and intense sales campaigns conducted by the larger millers.

Canada obtains only a small share of the imports. This share has been almost entirely in untreated first and second patent flours for sale to the sugar mills. The latter can purchase the ordinary high-grade bakers' flour as used in Canada because the existing government sales regulations as to the number of rolls per pound and the weight of loaves do not apply to them, since their entire bread production is for private consumption. No Canadian miller has made any headway against the established American brands in the general bakers' flour trade.

Practically the whole of this business is split up among much the same companies as obtain the bulk of the trade in Cuba. The competition among these mills is very severe.

TYPE OF FLOUR IN DEMAND

The only type of bread flour in demand in the general bakers' trade is a chemically-treated, patent flour designed to give a large volume, light-weight loaf of little or no body. This is a technical difficulty which has not been overcome to date by Canadian millers and which is similar in many respects to the difficulty encountered in producing exactly the right type of flour required in Cuba. A sufficient quantity of a suitable chemical must be added to the flour to prolong the fermentation period considerably beyond what is required in Canada, in order that a flour of very high-raising quality may result.

This is essential because of government regulations that bakers must sell a minimum number of twelve rolls of a minimum size to the pound. A straight patent flour will not fulfil these requirements, and therefore the necessary chemical must be added by the mill to increase the size of the rolls to the required limits. This regulation was put in force in an endeavour to provide

cheaper bread for the public, but its principal effect has been merely to change the physical aspect of the bread supplied rather than to give greater bread value.

BAKING PRACTICE

Baking practice in the Dominican Republic is haphazard and antiquated. In this respect it is very similar to that in almost all of the several territories in the Caribbean area. A summary of the essential points was given in a report by Mr. E. L. McColl, former Canadian Trade Commissioner in Havana, published in *Commercial Intelligence Journal* No. 1654 (October 12, 1935), page 638. The baking system has not changed in any way since then and for consolidation purposes the relevant extract from that report is quoted below verbatim:—

Dominican bread, like Cuban, is extraordinarily light in weight for its size, while according to Canadian standards it is over acidified by the long fermentation to which the dough is subjected. The unbaked dough from Canadian flour, although of high quality, fails to stand up and produce as large a loaf as is desired by the Dominican baker.

The method of bread-making in the Dominican Republic differs from that in vogue in Cuba in that straight dough is employed instead of sponge and dough. The following is the standard formula which forms the background of the bulk of all breads made: flour, one sack, 196 pounds; water, 115 pounds; yeast, 12 ounces; salt, 3 pounds. Processing takes from ten to eleven hours before entering the oven. The dough is first mixed by machine for ten minutes and a portion of it sent through the brake to be made up later into a kind of bread different from that which does not go through the brake. From the mixing machine, or from the brake, the dough is divided, rolled into balls and put on proofing boards for half an hour or more. The balls are then formed into final shape by punching and rolling with the hands, after which they are put back on to the proofing shelves for some six to eight hours. Twenty-four ounces of dough produce sixteen ounces of bread of twelve rolls to the pound. In Canada only eighteen to nineteen ounces of dough are required to make one pound of bread. The Dominican bread loses its moisture through excessive fermentation, long proofing, and slow baking. Proportions or measurements of ingredients, temperatures, and time are only roughly estimated; no instruments are employed. No definite oven temperatures are aimed at, the usual practice being to employ a given quantity of wood for each baking. When the wood is burned, the cinders are banked up around the inside walls of the oven, after which the unbaked bread is put into the oven. The baker then moves the bread about on the oven floor with his peel to give a uniform brown to the loaf.

SHIPPING ROUTES

Any shipment of Canadian flour to the Dominican Republic has to be made through United States ports. As with wheat, New York is the most important of these ports for flour shipments to the republic.

CREDIT SITUATION

The bakery trade, with one exception, is generally in an unstable financial condition. Direct sales to bakers are, therefore, to be avoided. The only safe way to sell flour in the republic is to sell to one of the financially reliable importers for the general trade, or direct to the commissariats of the various sugar mills.

EXCHANGE AND QUOTA REGULATIONS

No import quotas on flour have been established in the Dominican Republic and no import permits of any kind are required. There are likewise no foreign exchange control regulations of any kind in force. Canadian exporters will, therefore, encounter no difficulties of this type in selling flour to the republic or in the collection of drafts drawn upon importers.

SALES PROSPECTS

The outlook for the sale of Canadian flour is by no means promising. The competition among the Buffalo mills for the very limited amount of trade available is intense. A new brand of the right type of treated flour could be estab-

lished, but it could be done only after considerable expense in introducing the brand. Moreover, to keep it on the market it is quite likely that concessions of various kinds would have to be given both to the importers and to the master bakers. After doing all this, it is not considered likely that the business would return the miller much of a profit. The general opinion is that the principal Buffalo mills continue to keep their brands on the market only to maintain their prestige in the Caribbean area, as it is considered that there is practically no profit for them in the business under prevailing conditions. To attempt to introduce a new brand is generally considered by the trade to be not worth the trouble required. Moreover, an appreciable part of the population is illiterate and buys only by the trade mark which appears on the bag. The task of educating this type to the use of a new brand is much greater than the return would warrant.

NETHERLANDS PAPER INDUSTRY

J. A. LANGLEY, CANADIAN COMMERCIAL ATTACHÉ

(One metric ton equals 2,205 pounds; one florin or guilder equals approximately \$0.56; one kilo equals 2.2 pounds; one cubic metre equals 35.3 cubic feet.)

Rotterdam, October 10, 1939.—The Netherlands paper industry is one of the oldest in the country, the mills having developed from those operated by wind and water power into modern plants. Although equipped with up-to-date paper-making machinery, full advantage has not been taken of their capacity to fully meet the domestic and export demand for this commodity. For this reason Holland is an important market for foreign newsprint and other types of paper. The principal raw materials imported for the paper industry are chemical and mechanical wood-pulp and pulpwood. This latter item is converted into pulp in Holland by the largest paper-manufacturing concern, which has its own processing plants. The old Dutch deckle-edge paper is still much in evidence, but the manufacture of this well-known product is now on the wane, and the modern plants are engaged largely in the production of newsprint, the output in 1938 amounting to 88,280 tons. The production of wrapping paper totalled roughly 76,785 tons, and that of woodfree hard-sized printing and writing paper and cardboard was 42,855 tons. The aggregate production of paper represented a value of more than 37,789,000 guilders, with sales at approximately that figure. Annual exports amount to about 46,100 tons, whereas imports are estimated at 79,500 tons.

CONSUMPTION OF RAW MATERIALS

An idea of the importance of this industry may be obtained from the following Netherlands Central Bureau of Statistics' three-year summary of the consumption of raw materials and the production of all mills where paper is manufactured from pulp, rags, or old paper, as well as that of allied factories making pulp, cellulose, and paper products. The production figures for 1938 show a downward tendency from those of the previous year, which may be attributed to general apprehension concerning the then future trend of international events.

Netherlands Statistics of Paper Production

	1936	1937	1938
Number of manufacturers	27	28	28
Production of paperM. tons	215,000	269,800	232,200
Value1,000 florins	27,000	36,600	33,200
Consumption of woodM. tons	453,000	525,000	459,000
Other fibresM. tons	134,000	156,900	143,400
Personnel	5,529	6,590	6,300
Primary capacity of power plants . . .h.p.	147,800	151,200	162,500

PULPWOOD IMPORTS

Notwithstanding the decline in the production of paper, 1938 imports of timber for pulp-making purposes showed an all-time high, having increased by 87,735 cubic metres over the figures for the previous year and by 315,347 cubic metres over those for 1936. The manufacture of pulp is confined to a number of mills operated by one company—the N.V. Vereenigde Koninklijke Papierfabrieken der Firma Van Gelder Zonen, of Amsterdam—which may be credited with the total foreign purchases of pulpwood. It may be assumed that the bulk of the resulting pulp was used in their own plants or held in reserve, while a small tonnage was disposed of in the open market to smaller paper-making concerns.

Netherlands imports of timber for pulp-making purposes totalled 687,068 cubic metres in 1938 as compared with 599,333 cubic metres in 1937 and 371,721 cubic metres in 1936.

The supplying countries, in order of importance, in 1938 were as follows: Soviet Russia, 442,225 cubic metres; Finland, 171,208; Poland and Danzig, 32,282; Canada, 22,416; Latvia, 12,254; Sweden, 5,262; Spain, 1,011; Czechoslovakia, 410.

An analysis of the pulpwood imports for the period January to August, 1939, shows that of the total imports of 67,355 cubic metres, 60,077 cubic metres were purchased from two sources of supply: Finland (48,555 cubic metres) and Russia (11,522 cubic metres).

IMPORTS OF PULP

Besides pulp of domestic manufacture, the mills in Holland use a substantial tonnage of foreign pulp. In the official trade statistics it is shown under three headings—"mechanical," "chemical," and "sulphite wood cellulose." It may be assumed that the last-mentioned is consumed principally by the artificial silk yarn industry but has been included in the following table in order to give a complete picture of the Netherlands industry and trade.

Statistics of Netherlands Wood-pulp Industry and Trade

	Domestic Production		Imports		Cellulose
	Mechanical	Chemical	Mechanical	Chemical	
	Figures in Metric Tons				
1936..	64,500	42,500	22,652	22,276	83,990
1937..	71,000	50,000	27,132	23,355	99,384
1938..	63,500	42,000	22,437	20,006	76,770

Details of 1938 imports of mechanical, chemical, and sulphite wood cellulose pulp are as follows:—

	Mechanical	Chemical	Cellulose
Total	22,437	20,006	76,770
Finland	5,223	2,528	17,844
Norway	3,615	....	19,933
Sweden	13,438	16,736	25,675
Germany .. . . . .	....	....	2,011
Belgium .. . . . .	....	....	8,848

Imports of pulp during the period January to August, 1939, were as follows: mechanical, 12,319 metric tons; chemical sulphite, 46,497 tons dry and 16,345 tons wet; other, 3,093 tons dry and 17,673 tons wet; straw pulp, 203 tons.

PRINCIPAL PRODUCTS OF NETHERLANDS MILLS

The Netherlands mills have devoted their attention particularly to the manufacture of newsprint, the output of which last year was 38 per cent of the total outturn of paper; to wood-free printing and writing paper, including

cardboard, which accounts for another 19 per cent of production; and to various kinds of wrapping papers, which make up a further 33 per cent of the total output. The remaining 10 per cent of production is accounted for by the manufacture of paper from rags, and a small output of paper products.

The following table shows the production figures for the more important types of paper, together with the value and sales made by domestic mills:—

Domestic Production and Sales

Newsprint—		1936	1937	1938
Production	Metric tons	86,433	96,515	88,280
Value	Fls. 1,000	6,010	7,092	9,202
Value of sales	Fls. 1,000	6,052	7,059	8,838
Wood-free Printing, Writing and Cardboard—				
Production	M. tons	45,935	55,347	42,855
Value	Fls. 1,000	7,708	12,792	10,078
Value of sales	Fls. 1,000	7,656	12,582	10,260
All Kinds of Wrapping Papers—				
Production	M. tons	81,001	91,909	76,785
Value	Fls. 1,000	8,507	13,639	10,917
Value of sales	Fls. 1,000	8,497	13,425	10,933
Total value of all paper produced	Fls. 1,000	26,977	40,358	37,789
Total sales by mills	Fls. 1,000	26,695	39,854	37,503

Decreases in the 1938 production of the leading types of paper may be attributed to domestic consumption having been adversely affected as a result of the international situation in Europe.

As to the future trends of the industry, at the outset it is handicapped by a lack of domestic supplies of pulpwood, which makes it dependent on sources of supply which may not be in a position to furnish the large quantities of wood required in the immediate future. There is very little standing timber in Holland suitable for the manufacture of paper, although during 1914-18 the coarse fir grown in the provinces of North Brabant and Limburg was utilized for the manufacture of newsprint of an indifferent quality. Pulpwood from Finland continued to arrive in Holland during September, and as far as is known shipments are on the way from Soviet Russia, although there has been some delay in deliveries. Increased freights and insurance rates naturally make this raw material much higher in price, and a lack of shipping space indicates a probable mounting cost to the manufacturer, which will be reflected in the price to the ultimate consumer. While domestic mills are operating on the basis of a production not exceeding the average during the past six months, whether or not drastic reductions will be made in the use of paper depends largely on the future turn of events and on the extent to which the supplies of raw materials now available in the country can be utilized to meet consumption demands on the present scale.

NEWSPRINT SITUATION

The statistical data which are given below, showing the approximate quantity of newsprint consumed in Holland, are based on the known production during the years 1936 to 1938, plus imports and minus exports. The production figures are those supplied by the Central Bureau of Statistics, while the import and export figures have been obtained from the official trade returns. No particulars as to stocks held over from one year to another are available, but it may be taken for granted that these were small, if any.

Netherlands Consumption of Newsprint

	Production	Imports	Exports	Consumption
		Figures in	Metric Tons	
1936	86,433	13,165	9,156	90,442
1937	96,515	15,195	9,614	102,096
1938	99,280	15,105	6,978	107,407

It is estimated that Messrs. van Gelder and Zonen, the only producers of newsprint in Holland, have a productive capacity capable of taking care of at least 90 per cent of the domestic requirements in newsprint.

The following table shows Netherlands imports and exports of newsprint in 1938 and for the period January to August, 1939:—

Netherlands Imports and Exports of Newsprint

	1938		Jan.-Aug., 1939	
	Imports	Exports	Imports	Exports
	Figures in Metric Tons			
Totals	15,105	6,978	9,482	3,673
Germany	5,125	....	4,139	....
Belgium . . . . .	....	3,220	....	1,926
France . . . . .	....	2,598	....	....
Finland	3,006	....	2,057	....
Norway	4,735	....	2,642	....
Sweden	945	....	295	....
Austria	941	....	....	....
Others	353	1,160	349	1,747

IMPORT DUTIES

Following are the rates of duty applicable to the principal varieties of paper with which this report deals. No distinction is made between Canadian and European merchandise, as all pay the same rates:—

Newsprint	11% ad valorem
Writing, Printing and Wrapping Paper:	
(a) Paper consisting of one piece, imported in rolls, weighing per roll (including the reel) 440 pounds or more	13% ad valorem
(b) Other	21% ad valorem

In all cases there is a turnover tax of 4 per cent, payable on the duty-paid value of the merchandise. This tax also applies to paper products of domestic manufacture.

EXPORT RESTRICTIONS

By a royal decree dated October 2, 1939, the exportation of paper and cardboard of all kinds (except strawboard) from the Netherlands is prohibited except under licence.

PAPER IMPORTS

Despite the production in Holland of over 232,000 metric tons of paper a year, there is a considerable demand for imported papers. Various grades of cardboard and of wrapping and printing papers (mostly newsprint) account for by far the largest part of the imports, while writing, real parchment, grease-proof, felt, coated, and wall papers make up the greater part of the remainder.

In the past, supplies have been obtained from European countries, Great Britain, and the United States. The following table shows the imports of the principal papers into the Netherlands during the years 1936, 1937, and 1938:—

Netherlands Imports of Principal Papers

	1936	1937	1938
	Figures in Metric Tons		
Newsprint	13,165	15,195	15,105
Printing, writing and cardboard	11,738	14,831	10,578
Printing and writing, woodfree	5,913	8,983	7,641
Cardboard (leather, wood, grey and other coloured boards)	6,762	8,218	6,702

Netherlands Imports of Principal Papers—Concluded

	1936	1937	1938
	Figures in Metric Tons		
Wrapping and cardboard	22,331	29,402	19,659
Duplex, triplex and cardboard	4,971	7,956	6,596
Real parchment	1,629	1,669	1,488
Grease-proof paper	2,728	3,805	2,571
Felt paper, impregnated	7,924	668	....
Felt paper, not impregnated	971	510	226
Other felt paper	975	1,027	1,327
Sensitive paper	284	274	327
Coated paper	4,354	5,771	4,484
Wallpaper	3,821	3,018	2,865
Fancy paper	178	180	178
Carbon paper	109	108	124
Toilet paper	714	194	163
Condenser paper	65	127	49
Cigarette paper	241	257	275
Cellophane	267	373	361
Paper and cardboard n.o.p.	4,805	7,095	6,799

TREND OF EVENTS AFFECTING SUPPLIES

One of the visible effects of the present international situation has been the creation of a state of apprehension in the paper trade, as well as in the artificial silk industry, due to the fact that Holland's supplies of pulp, pulpwood, and newsprint are drawn largely from Scandinavian countries, and newsprint from Germany, and these supplies are therefore liable to interruption.

The foregoing statistics show that the Netherlands have in the past depended largely on Sweden, Norway, and Finland for supplies of pulp and that any curtailment of supplies would be felt by the artificial silk industry much more than by the paper industry. Sweden was the most important supplier of pulp during 1938, having shipped 30,194 metric tons of mechanical and chemical pulp to paper manufacturers and 25,675 metric tons to the rayon yarn producers. Finland was credited in the import returns with 25,595 metric tons, mainly for use in the manufacture of artificial silk yarns.

As to pulpwood, Soviet Russia has been by far the principal source of supply, followed by Finland. Doubtless every effort will be made to keep pulpwood moving from Soviet Russia and Finland, but developments in the Baltic seem to forecast, if not a complete cessation, at least a curtailment in supplies of some considerable importance.

Imports of newsprint over the past three years have averaged slightly less than 15,000 metric tons, with Germany as the principal supplier followed by Norway and Finland. As an unprecedented trade drive is being carried on by Germany, with special inducements in the way of attractive prices and with more or less normal deliveries, it is probable that at least during the near future, or until supplies of pulpwood become less abundant, every effort will be made to keep the sales of newsprint to Holland at their previous level. Continued supplies from Scandinavian countries may also be anticipated, although shipping difficulties and other developing factors may adversely affect shipments.

There is no doubt that in the event of a prolonged war the paper and pulp industry of Holland will be seriously dislocated, and, while Canadian producers of pulpwood, pulp, and newsprint cannot be expected to replace at short notice the Scandinavian, Soviet Russian, and German shipments, they should be able to substantially increase their exports to this country.

SCANDINAVIAN MARKETS FOR ALFALFA SEED

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Norway

Oslo, October 14, 1939.—The growing of alfalfa is still in the experimental stage in Norway. The demand, although limited, has been increasing during the last few years, as experiments with this grass appear to have been favourable. Alfalfa seed imports during the crop year 1937-38 are estimated at approximately 1,000 kilos (of 2.2 pounds), and during the crop year 1938-39 at about 2,000 kilos. In the latter year a single organization—the Farmers' Co-operative—imported 1,400 kilos, or approximately 75 per cent of the total imports in 1938. These imports consist almost exclusively of Blackfoot Idaho Grimm, imported from California, and are for the purpose of further experimentation by the Farmers' Co-operative.

This organization is familiar with the Canadian Grimm type of alfalfa, having purchased a few lots in the past from Copenhagen firms who handle this seed, but they have concentrated on the Californian strain as proving more satisfactory for their purposes. This decision was the result of investigations during a recent visit to America by the chief of the Farmers' Co-operative's experimental farm as to what type of Grimm alfalfa (the only strain imported) would be most suitable to Norway.

Imports of alfalfa (lucerne) seed, in comparison with imports of other seeds such as timothy, clover, rye grass, etc., are insignificant. Imports in 1937 of timothy amounted to 75 metric tons (of 2,204 pounds); of clover, 91 tons; and of rye grass, etc., 137 tons. Imports of unclassified seed—which includes those of alfalfa mentioned above—amounted to 87 metric tons in 1937 and to 81 metric tons in 1938.

Alfalfa seed may be imported into Norway in parcels of over 5 kilos without special permission. Other seeds, such as red clover, alsike, white clover, and timothy, require an import licence from the Department of Agriculture, which fixes the conditions under which such imports are permitted, such as origin, condition, and quality of seed, etc. Alfalfa seed enters Norway duty free.

Sweden

Imports of blue lucerne into Sweden have been substantial, as shown in the following table of arrivals in 1937 and 1938:—

Sweden's Imports of Blue Lucerne

	1937		1938	
	Kilos	Kronor	Kilos	Kronor
Denmark	2,850	3,750	.....	.....
Czecho-Slovakia	10,000	13,750	.....	.....
Hungary	170,909	201,344	58,544	107,317
British North America (Canada)	1,758	4,918	6,551	17,883
United States . . . . .	.....	.....	2,080	6,851
Total	185,517	223,762	67,175	132,051

Imports declined considerably in 1938, as compared with 1937, the bulk still coming from Hungary, which supplied 230 metric tons out of a total of 253 metric tons for the two years, or over 90 per cent of total imports. Canada supplied 1.7 ton in 1937, which was increased to 6.5 tons in 1938.

The following table of imports of other seeds is given for comparative purposes:—

Sweden's Imports of Other Seeds

	1937		1938	
	Kilos	Kronor	Kilos	Kronor
White clover	91,342	138,375	67,074	171,157
Cock's foot grass	57,429	49,057	20,770	17,502
Rye grass	77,996	42,553	173,469	91,316

IMPORT PERMITS

For the seed-selling season 1939-40, the Agricultural Council in Sweden, which controls the granting of import permits for seed, has given practically unlimited recommendation for imports of blue lucerne and hops lucerne, and has circularized all persons dealing in seeds to that effect. Import permits for alsike clover and timothy, on the other hand, will not be recommended. Applications for imports of white clover may be granted if domestic production proves insufficient. Imports of alfalfa (lucerne) seed into Sweden are free of duty.

MARKET POSSIBILITIES

The Swedish Agricultural Council has received a number of applications for imports of blue lucerne seed of Canadian origin, but apparently there are no inquiries for any other kind of Canadian seed.

A Swedish firm of seed merchants has expressed an interest in receiving offers for 5,000 kilos of Grimm alfalfa of Canadian origin. Although this would meet a substantial part of the demand for Canadian seed, it is possible that larger imports may be effected.

Denmark

In 1937, imports of lucerne seed into Denmark amounted to 278.4 metric tons (of 2,204 pounds), of which the principal suppliers were Hungary (115.9 tons, or 56 per cent of total imports), Canada (45.7 tons, or 16 per cent), Austria (24.8 tons, or 9 per cent), and Yugoslavia (20.3 tons, or 7 per cent). For the calendar year 1938 these imports increased to 449.4 metric tons, and for the season July to June, 1938-39, to 456.7 metric tons. Although figures of imports by countries of origin are not available for this period, it is probable that an increased quantity of Canadian seed was imported.

On account of the good crops of timothy, rye grasses, and white clover, there were no important imports of these seeds during last season. Red clover imports amounted to 818 metric tons; rape grasses, 427 tons; and alsike clover, only 43 tons.

IMPORT PERMITS

Although no official information is at present available as to the seeds for which import licences into Denmark will be granted or from what countries they may be imported, it may be assumed that permits will be available for imports of lucerne seed from Canada, the most important supplier of this seed after Hungary. There are no duties applicable to alfalfa seed imports into Denmark.

MARKET POSSIBILITIES

Letters have been received by the Trade Commissioner's office in Oslo from firms in Denmark, expressing interest in Canadian Grimm alfalfa.

An important Danish firm, one of the largest seed purchasers in Scandinavia, has already bought some 20 tons of Grimm lucerne from Canada, paying a higher price than that quoted for lucerne from other countries, and they are interested in receiving further offers from Canada.

With respect to total imports, a great deal depends on whether supplies from Hungary will be available and whether Canadian prices will be in line with quotations for these supplies.

UNITED STATES MARKET FOR FROZEN BLUEBERRIES

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

New York, November 15, 1939.—The market for frozen blueberries in the United States has been growing steadily for several years. They are used almost exclusively for blueberry pies and as the demand for the latter has considerably improved, so the outlet for the frozen fruit has increased. The following table shows the imports of frozen, fresh, and other blueberries from 1932 to 1938:—

	1932	1933	1934	1935	1936	1937	1938
	Thousands of Pounds						
Frozen..	2,397	3,137	3,608	5,123	6,160	8,947	4,213
Fresh..	1,428	3,156	3,437	2,243	4,030	3,836	2,202
Other*.. . . . .	....	....	....	95	498	530	284

* Included in frozen blueberries prior to 1935.

The bulk of “other” blueberries represents imports of canned berries.

The foregoing figures indicate the increased demand in recent years for blueberries, both fresh and frozen. This demand has been created and enlarged by the continually improving methods of grading, packing, and cleaning the fruit.

SOURCES OF SUPPLY

Practically all of the fresh and “other” blueberries are of Canadian origin. Newfoundland is the principal shipper of the frozen fruit, although Canada’s share in this trade has been increasing. The following table shows the shares of imports of frozen blueberries supplied by Newfoundland and Canada:—

	1932	1933	1934	1935	1936	1937	1938
	Thousands of Pounds						
Newfoundland	1,876	1,817	2,539	3,778	4,038	5,741	2,178
Canada..	521	1,319	1,069	1,345	2,122	3,180	2,034
Per cent of total from							
Canada..	21.7	42.1	29.6	26.3	34.5	35.6	48.2

For some time Canadian frozen blueberries were not so highly regarded as the Newfoundland pack owing to unstandardized methods and to lack of uniformity of quality in various Canadian shipments. However, such improvement has been evident within the last two years that the Canadian pack is now generally compared favourably to the Newfoundland pack and in some cases of well-established brands may even command a slight premium.

LOCAL PRODUCTION

In general the local production of blueberries is all marketed in the fresh state, so that there is no direct competition for the imported frozen fruit. However, the volume of domestic fresh fruit indirectly affects the frozen market, since pie bakers, during the fresh season, buy up the surplus stocks of unsold fruit which are sold at low prices as soon as it begins to turn soft. These berries are then frozen for winter use. Since such stocks can usually be bought up at about 10 cents per quart (1½ pound), the price is invariably below the cost of imported frozen berries.

No statistics are available showing domestic production of blueberries, but it is probable that the volume marketed has tended to increase each year. However, it may be said that imports of the frozen fruit generally are influenced only to a minor extent by the fresh fruit. In fact, the improvement in the packing, grading, and cleaning of the fresh berries has undoubtedly increased the demand for blueberry pie to the ultimate benefit of imports of frozen berries.

PRICES AND DISTRIBUTION

The import figures show a steady and uninterrupted increase in the use of frozen blueberries from 1932 until 1938, when there was a drastic falling-off in imports from all sources. This decline does not reflect the demand nor any diminution of supplies, but was the direct result of marketing policy. Until and including 1936, frozen blueberries were sold from Newfoundland (and it is the latter country that has controlled the market) at prices that had risen gradually to the maximum of about $8\frac{1}{2}$ cents per pound to pie bakers, delivered in New York, duty paid. At these prices the bakers were content to push the sale of blueberry pie as they were enabled to make a reasonable profit. In 1937, however, Newfoundland shipped large quantities of fruit, but suddenly raised the price to 10- $10\frac{1}{2}$ cents per pound. This action led to a practical boycott of the Newfoundland fruit, resulting in a heavy carryover to 1938 and an increased interest in Canada as an alternate source of supply.

Generally, orders are placed during March through to early May on a "price subject to approval" basis, the price being set about the middle of June. All the Newfoundland fruit is shipped by about five large packers and it is sold at more or less uniform prices. The price that is finally established is the delivered price to the bakers, although the fruit is consigned by the packers to the broker, who deducts his commission of 5 per cent, duties, shipping, and handling charges. The bakers use the blueberries in the spring, summer, and autumn; but from the middle of October until the middle of March pumpkin, mincemeat, and other pies are preferred.

The bulk of the Newfoundland fruit is marketed in New York, whereas most of the Canadian fruit has been sold in Chicago and other western points where the transportation costs favour Canada. However, owing to the improvement in the Canadian pack, it has recently been moving into New York and Philadelphia in comparatively greater volume.

DUTIES

Until 1936 the duty on frozen blueberries was 35 per cent ad valorem, but in that year it was reduced under the first Canada-United States Agreement to 25 per cent. By the 1938 Trade Agreement the duty was further reduced as from the beginning of 1939 to its present level of $17\frac{1}{2}$ per cent ad valorem.

CURRENT SEASON CONDITIONS

This season there was a shortage in the Newfoundland production, which coincided with a smaller Canadian pack. Most of the Newfoundland berries were contracted for at $8\frac{1}{2}$ cents delivered at New York, the price being established on June 16. A considerable quantity of the Canadian fruit was also sold in advance at this price. However, when the Newfoundland shortage became evident prices rose precipitously, so that at present any offerings could be readily disposed of at a minimum of $12\frac{1}{2}$ cents per pound delivered at New York. The shortage from Newfoundland was acute and most brokers had to pro-rate their orders to 40 per cent of advance bookings, others being forced to pro-rate down to 25 per cent. The Canadian production could not take up all the slack. In consequence, there is no longer a definite market price and sales are mostly confined to resales by bakers preferring to take the substantial profit on the fruit for which they originally paid $8\frac{1}{2}$ cents.

The sudden rise in price did benefit some Canadian shippers who had not contracted in advance. Naturally, no statistics are yet available to show imports of frozen blueberries for this year, and it is possible that the yearly figure, which will include last spring's deliveries, will show an advance over 1938. In any event the demand for frozen blueberries is strong. If the statistics show a decline or no advance over last year, it will be due to a shortage of supplies and will be no indication of a declining market.

TRADE OF COLOMBIA IN 1938

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

(U.S.\$1 equals Colombian peso 1.75)

Panama City, October 28, 1939.—There was a slight decline in the total value of the foreign trade of Colombia during 1938 as compared with 1937. Relatively the total value of both imports and exports declined to almost the same extent, the figures for last year as compared with 1937 showing a decline of 10,432,000 pesos in the case of imports and 19,715,000 pesos for exports.

EXPORTS

The total value of exports from Colombia during 1938 was 163,226,000 pesos as compared with 182,941,000 pesos in 1937, a decline of 10 per cent. The following table shows the total values of the principal articles of export during the calendar years 1937 and 1938:—

	1937	1938
	Pesos	Pesos
Coffee..	99,172,000	88,775,000
Petroleum..	35,079,000	37,206,000
Bananas..	6,983,000	8,884,000
Gold..	32,079,000	18,780,000
Platinum..	2,666,000	1,651,000
Hides..	4,979,000	3,876,000
Leaf tobacco..	399,000	1,027,000

The commodities included in the above table comprise the bulk of total Colombian export trade. The following table shows the principal countries of destination of Colombian exports:—

	1937	1938
	Pesos	Pesos
United States	86,069,798	76,168,525
Germany	18,745,839	21,074,949
Canada	10,181,095	14,176,126
France	7,455,798	6,714,135
Holland	1,895,558	1,790,895
Belgium	1,830,280	916,115
United Kingdom	685,834	722,852
Sweden	639,647	392,809
Switzerland	16,140	12,333

It will be noted that the United States, Germany, and Canada purchase the greater part of Colombian exports, the principal items being coffee, petroleum, hides, bananas, tobacco, and platinum. Canadian purchases from Colombia consist entirely of petroleum and coffee.

IMPORTS

The total value of imports into Colombia during 1938 was 159,252,000 pesos as compared with 169,684,000 pesos for 1937, a decline of 6 per cent. The following table shows the principal countries of origin of imports into Colombia during the calendar years 1937 and 1938 with the value of purchases by each:—

	1937	1938
	Pesos	Pesos
United States..	78,951,640	79,445,074
United Kingdom..	31,976,827	19,662,678
Germany..	22,467,771	27,765,555
France..	5,389,905	5,380,843
Belgium..	4,792,704	3,382,722
Canada..	3,916,293	2,711,975
Holland..	2,028,059	1,653,114
Sweden..	1,926,342	2,302,695
Switzerland..	1,506,646	1,952,869

The increase in imports into Colombia from Germany during 1938 as compared with 1937 was due to the barter trade arrangement whereby Germany increased her purchases of Colombian products and paid for them with German products valued in "aski" or "coffee" marks. The decline shown in imports from Canada is probably inaccurate, since Canadian statistics show that Canadian exports to Colombia during 1938 increased slightly in value as compared with 1937. During the latter part of 1938 important changes in East Coast American steamship schedules and services were effected, and it is likely therefore that in Colombian statistics many Canadian shipments forwarded through United States ports have been entered as being of American origin.

The following table shows the total values of the principal articles of imports into Colombia during the calendar years 1937 and 1938:—

	1937 Pesos	1938 Pesos
Raw cotton.. . . .	1,974,702	1,918,244
Rice.. . . .	1,311,851	1,263,894
Autos (passengers).. . . .	4,130,755	3,572,282
Autos (trucks).. . . .	2,039,615	1,753,104
Chassis (passenger and truck).. . . .	1,335,898	1,969,975
Cotton drills.. . . .	3,758,305	3,053,479
Pharmaceutical specialties.. . . .	1,840,628	4,437,109
Steel and iron bars, rods.. . . .	2,808,229	4,002,518
Silk yarns.. . . .	1,604,067	1,431,542
Rubber tires and tubes.. . . .	2,019,569	2,195,073
Mining and construction machinery.. . . .	3,419,127	4,167,427
Weaving and knitting machinery.. . . .	5,381,309	2,845,855
Agricultural machinery.. . . .	1,219,487	2,475,203
Woollen cloth.. . . .	3,877,173	2,280,235
Wrapping paper.. . . .	1,327,663	1,487,670
Cotton fabrics (dyed).. . . .	7,304,190	4,782,160
Iron and steel piping.. . . .	3,491,419	6,693,034

Following is a more detailed list of imports into Colombia during 1938, with values in pesos:—

Automobiles, 3,562,281; auto tires, 1,753,104; chassis, 1,928,133; wheels, springs, and parts, 1,036,044; tractors, 1,997,893; rubber tires, 2,195,063; Diesel motors, 510,712; internal combustion motors, 584,712; radio receiving apparatus, 1,313,159; electric generators, 478,569; electric refrigerators, 724,291; electric bulbs, 416,857; weaving machinery, 2,845,866; oil-refining machinery, 1,050,579; beer-brewing machinery, 422,423; mining machinery, 473,619; oil well machinery, 654,926; agricultural machinery, 262,293; cane sugar machinery, 262,293; grain milling machinery, 342,351; typewriting, adding, calculating, and cash registering machinery, 1,159,446; sewing machines, 595,700; dredges and accessories, 920,267; ploughs and parts, 136,132; pumps, 473,333; iron and steel piping, 7,759,016; iron and steel fittings, 789,594; copper wire, 320,195; copper wire insulated, 373,970; iron cables, 266,584; barbed wire, 749,872; iron and steel bars and sheets, 1,938,460; iron and steel bars galvanized, 1,700,508; tin in sheets, 615,598; axes, hatches, adzes, and matchets, 506,627; whisky, 989,559; brandy, 336,071; gin, 36,242; malt, 757,475; hops, 323,856; rice, 1,263,894; oatmeal, 309,072; cacao, 621,206; copra, 845,574; wheat, 1,549,993; wheat flour, 121,333; hydrogenated whale oil, 284,874; linseed oil, 179,671; lubricating oil, 711,052; varnish, 190,141; paint (dry), 337,256; prepared paint, 497,837; benzol and naphtha anilines, 928,987; paper, wrapping, 1,515,761; newsprint and printing, 1,484,260; cigarette paper, 204,630; cardboard, 466,009; raw cotton, 1,956,817; cotton yarn (unbleached), 359,528; cotton yarn dyed, 848,800; cotton thread, 1,274,452; woollen yarns raw, 532,538; woollen yarns dyed, 1,284,360; silk yarns, 1,431,542; tools for industry, 880,229; tools for agriculture, 438,524; kitchen utensils, 387,465; Roman cement, 1,135,028; cigarettes, 838,309; tobacco (leaf), 216,299; calf skins, 830,474; pharmaceutical specialties, 2,314,255; insecticides, 480,075; fertilizers, 129,721; rubber hose, 136,022; hog's lard, 342,621; compound lard, 18,080; butter, 45,787; cooking and table oils, 155,719; fish, preserved, 429,905; milk, condensed and powdered, 372,269; cotton fabrics, unbleached, 3,896,176; cotton, bleached, 1,165,689; cotton, dyed, 4,782,160; cotton, prints, 1,720,255; cotton hosiery, 695,486; cotton, drills, 26,479; cotton blankets, 512,122; cotton underwear, 331,857; cotton bags, 344,116; woollen cloth, 2,724,235; felt hats, 805,996; felt hats and woollen, unfinished, 502,611; silk fabrics, 305,744; silk hosiery, 917,908.

CUBAN ECONOMIC CONDITIONS, JANUARY-JUNE

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, October 25, 1939.—Practically every phase of economic conditions in Cuba during the first half of this year was less favourable than for the same period of last year. A general contraction of trade, the sharp drop in the price of sugar (Cuba's main economic support), and internal currency troubles combined to produce a disquieting situation which has been reflected in decreased trade and unstable market conditions.

CURRENCY DEPRECIATION

At par the Cuban peso equals the United States dollar in value. However, since the authorization last year for the coinage of 20,000,000 pesos in silver (interpreted by some as inflation), the discount on the Cuban peso continued, fluctuating from $2\frac{1}{2}$ to $3\frac{1}{3}$ per cent until the end of November and rallying slightly at the close of the year. Over 7,000,000 pesos of this coinage had been received in Cuba toward the end of November. The effect of this forced circulation of silver on the parity of the peso became so disquieting that the Government attempted various methods, which were only partially successful, of improving the exchange rate. Among these was a Treasury resolution providing that 75 per cent of legal cash reserve requirements of banks operating in this country must be in Cuban silver money. The importance of this measure, from the viewpoint of local bankers, is apparent in view of the fact that the greater part of their current account and savings deposits is in United States currency.

Following a period of relative strength in the first few months of 1939, the peso again weakened in May and it became increasingly important, in the opinion of the Administration, to take some early action designed to prevent further depreciation. This renewed downward tendency was probably due mainly to the decreased demand for Cuban currency following the termination of the sugar-grinding season. That it did not occur sooner was attributed partly to the improved returns from sugar exports and to the fact that relatively small amounts of the new coinage were put into circulation during the preceding months, although a supporting reason might have been the effect of a decree which instructed all official and semi-official Cuban agencies to deposit with the Treasury any funds they had on deposit in private banks. As a result of this latter decree, over 2,500,000 pesos were deposited with the Treasury by such agencies. Corresponding withdrawals from private banks made it necessary for some banks to enter the market for Cuban currency to meet the legal reserve requirements. This latter development undoubtedly served to bolster the peso for the time being.

STABILIZATION FUND ESTABLISHED

Despite the Government's warnings that speculation in the silver peso (to which the discount is officially attributed) should cease, the discount rate gradually increased toward the end of June to an average of 6.25 per cent. As exchange control can not be instituted because of the limiting clauses of the Cuba-United States Trade Agreement of 1934, a law establishing a stabilization fund was decreed, and promulgated on June 15. This fund primarily is to meet the service in foreign exchange on Cuba's foreign debt, although amounts not required for that purpose are to be utilized, so far as possible, in the regulation of foreign exchange. In accordance with this decree, exporters of sugar and syrups must deliver to the Cuban Government, in

United States currency, 20 per cent of the sale price on the basis of free in warehouse at the port of shipment, to be exchanged for Cuban silver pesos at par. Exporters of other products must similarly deliver 10 per cent of the dollar proceeds of their sales abroad. Since then these percentages have been raised to 30 and 15 per cent, respectively. The fund consequently is being built up from the profit accruing to the Government from the exchange of pesos at par for United States dollars. This is, in effect, an export tax on all Cuban products sold abroad.

The period under review closed with a presidential message to Congress, on June 29, requesting authorization to coin an additional 15,000,000 silver pesos, in order to balance the 1939 budget and meet other necessary expenditures out of the seigniorage therefrom. Following the publication of this news, the peso discount increased from 6 per cent at that time to a new all-time high of 16 per cent. At this point the Administration decided to abandon the proposed new coinage and to adopt measures designed to re-establish parity between the peso and United States currency. The resolutions subsequently adopted were: To seek the enactment of legislation which in effect would make dollar accounts payable in pesos, to abandon the proposed coinage, to enact instead new tax measures for the purpose of increasing revenues sufficiently to cover the anticipated budget deficit, to request Congress to renew payments on the Treasury Gold Obligations (Contractors' Credit), and to reply to the proposals of the United States with regard to modification of the Reciprocal Trade Agreement with that country.

The announcement of the abandonment of the plan to coin additional silver pesos had a markedly favourable effect on the peso exchange rate. The discount narrowed materially, and on July 8 closed at approximately $7\frac{1}{2}$ per cent.

LEGISLATION AFFECTING PRICES AND PAYMENTS

During the course of the selling climax on July 5 the local Produce Exchange decided to suspend its official quotations on imported foodstuffs for the time being, and several local firms instructed their salesmen and branches to increase prices on imported commodities. As a result, several prominent local merchants were arrested on the charge of manipulation tending to depreciate the peso. A decree was signed on July 6 prohibiting any increase in the prices of foodstuffs above those of July 1 without prior authorization.

Pursuant to the resolutions adopted as noted above, Congress passed a bill which in effect made dollar obligations, with certain specified exceptions, payable in pesos. Obligations involving sales or loans on sugar and other agricultural produce were excluded from its operation, and the service on the public debt will continue to be paid in the currency stipulated. Imports were not included among the several exceptions mentioned, but the situation was clarified on July 20 when it was stated that the provisions of the law were not intended to apply to foreign-exchange transactions in payment of imported merchandise. Exporters may continue to expect, as heretofore, full payment in the currency of sale or its equivalent of the amount of any draft drawn upon any Cuban importer, and to all intents and purposes Cuba continues to remain a free exchange market without any Government regulation or control of exchange in so far as foreign creditors of all kinds are concerned.

CREDITS AND COLLECTIONS

Commercial credits and collections were the worst in recent years. Transactions materially declined in volume, and credit was severely restricted. Collections, both for domestic sales as well as imports, were poor. On foreign obligations creditors generally sought extensions for an initial period of at

least 30 days because of the discount on the peso, in the hope that the rate would improve materially. While most of these requests were granted, with the understanding that interest be paid on outstanding amounts, when creditors insisted upon payment such was usually forthcoming after some delay.

An improvement in sugar prices, which customarily serve as a barometer of Cuba's economic conditions, was offset by the instability of the exchange value of the peso and by the apprehension created among nationals and foreigners alike through the passage by the Senate of a bill to liquidate Cuba's mortgage moratorium, and by the tabling in the House of a new tax bill. This proposed the imposition of a number of new taxes and the general upward revision of some of the existing ones. The purpose of the tax bill was to expand revenues sufficiently to balance the 1939 budget. From the viewpoint of the creditor the mortgage-moratorium bill in the form in which it was passed created strong apprehension that its enactment would operate most adversely on the credit structure of the island. The nature of this proposed legislation was alleged to be confiscatory or expropriatory and aimed directly at the banks and trust and mortgage companies, to the advantage of local industry and agriculture. Its original terms afforded little protection to the mortgagor whose contract with the mortgagee might be termed fair and just, in accordance with prevailing reduced interest rates. As all business had misgivings as to the drastic effects which would undoubtedly result in case this law were enacted, all commercial activities, particularly credits, were adversely affected.

FOREIGN AND INTERNAL DEBT

Cuba's foreign and internal debt at the end of February, 1939, as officially reported by the National Debt Section of the Treasury, totalled \$141,278,360. In addition, there was as usual some millions of floating debt outstanding which was not statistically recorded.

BUSINESS INDICES

The total volume of merchandise sales in the period under review amounted to \$298,038,000, an increase of 6 per cent over last year's total of \$280,685,000. The tonnage of general cargo imported through the port of Havana totalled 268,748 (246,065). The total tonnage of all cargo imports through Havana amounted to 689,607, or 7 per cent less than last year's 726,705; the total tonnage exported was 359,655 (388,709), a decrease of 7 per cent.

SUGAR

Exports of Cuba's principal product, sugar, in the January-June period decreased slightly, totalling 1,339,287 long tons (2,240 pounds each) as against 1,370,953 tons during the first six months of 1938. Stocks in the country at the end of June totalled 2,086,402 tons as against 2,035,119 tons at the end of June last year.

The average price for raw sugar, cost and freight basis at New York, for the first six months of this year was 1.9426 cent per pound as compared with 2.0464 cents per pound for the corresponding period last year. The average world price for raw sugar, converted to a cost and freight basis at New York, was 1.3984 cent per pound as against 1.1251 cent for the previous year. The average price for refined sugar, net cash at New York, excluding excise tax, was 3.7874 cents per pound for the first six months of 1939 as compared with 4.0206 cents for the same period in 1938.

Exports of Cuban sugar during the calendar year 1938 totalled 2,525,441 long Spanish tons (2,273 pounds each) as compared with 2,650,611 tons during 1937, according to final statistics recently made available by the Cuban Sugar Institute. Shipments to the United States amounted to 1,653,161 long Spanish tons as against 1,905,607 tons in 1937.

Sales of Cuban sugar in the United States were reportedly light during the first few months of 1939, as producers, whenever possible, were withholding offers in the hope that prices would improve, especially should sugar receive additional tariff concessions in the proposed supplementary trade agreement between the two countries. The most important provision of this agreement was expected to be a reduction in the Cuban sugar duty of 15 points to 75 cents per cwt. Since then the quota system has been suspended, and Cuban raws now pay \$1.50 per cwt. on entering the United States. Cuba's vital interest lies in its share of the United States sugar-supply quota, since any possible loss in its American sugar quota could not be recovered even in the world market, where the surplus quota thus created would be shut off by her international commitments. So far no remedial action is in sight affecting Cuba's peculiarly dangerous position on that score. As nearly all sugar-producing countries have their own natural or treaty markets, only 10 per cent of the entire world sugar production of roughly 30,000,000 tons ever flows into the free world market. Almost one-third of this percentage is contributed by Cuba, while all the remaining areas merely send in their surpluses. Therefore, with so large a participation in the free world market, where Cuba is constrained to sell at bargain prices, this country could hardly expect to sell there, even as distress sugars, whatever balances might be left on her hands as a result of cuts in the United States quota.

TOBACCO

The tobacco industry, Cuba's second in importance, showed a slight decrease in exports, the total value of tobacco and tobacco by-products exported during this period being \$6,794,457 as against \$7,352,368 for the first six months of 1938. The greatest decrease occurred in exports of cigarettes.

FOREIGN TRADE

Cuba's total imports for the period under review were valued at \$52,150,658 as compared with \$59,386,564 for the same period in 1938; exports were valued at \$72,751,521 (\$81,610,073). Imports and exports for the same period in 1937 were valued at \$64,902,986 and \$113,239,528 respectively. Cuba's trade with the United States was as follows: imports, \$36,479,647 (\$40,466,178 in 1938 and \$44,829,892 in 1937); exports, \$50,975,731 (\$60,494,116 and \$99,722,775). The heavy decline in the value of exports from Cuba to the United States, shown in the above figures, is due primarily to the lower prices obtained for sugar exports during 1939 and, secondly, to depressed conditions in the United States during 1938.

TRADE WITH CANADA

The total value of the imports into Cuba from Canada during the first six months of 1939, 1938 and 1937, respectively, according to Cuban official figures, was as follows: \$434,243, \$361,074, and \$523,948. Exports were valued at \$122,432, \$104,243, and \$120,013 for the same periods. The increase of slightly more than 20 per cent in imports from Canada this year was obtained in spite of a customs surcharge of 25 per cent which was made applicable on April 4, 1939.

FOREIGN TRADE OF BOLIVIA IN 1938

S. G. MacDONALD, ASSISTANT TRADE COMMISSIONER

Lima, Peru, October 4, 1939.—According to statistics issued by the Banco Central de Bolivia (as supplied by the Direction General of Statistics), imports into Bolivia increased to £5,403,107 in 1938, or by almost 24 per cent, from a value of £4,442,583 (sterling) in 1937. Conversely, the important yearly increase in export values for the past five years was checked, and the total of £7,111,983 was a considerable reduction from the total of £9,075,986 attained in 1937 and was the lowest since 1934. The whole of the foreign trade provided an important favourable visible trade balance but, as much of the returns from exports remained abroad, the actual position was considerably different from that indicated by the statistics. In fact, during 1938 the very unfavourable foreign exchange situation which has obtained for a number of years showed no signs of betterment, but on the contrary was rendered more acute, and foreign exchange available for imports was far short of the requirements of importers.

EXPORTS

As has been the case for many years, the products of the tin mines made up the most important share of export values. While the tonnage was a fraction higher, the value was reduced by about 20 per cent—from £6,141,424 in 1937 to £4,851,910 in 1938. Tin, together with other mineral products, continued to account for almost the entire value of Bolivian exports; of the total exports valued at £7,111,983, all but £555,688 was from mining. The small balance was provided by: nuts, £131,050; cattle, £91,760; quinine, £77,456; coca, £75,492; rubber, £58,638; manufactured articles, £52,721; cattle hides, £50,361; and miscellaneous items, £18,167. Of the exports of minerals other than tin ore and concentrates, etc., the most important were: silver ore and concentrates, £517,247; wolfram in bars, £388,158; antimony ores and concentrates, £239,915; lead ores and concentrates, £201,163; zinc ores and concentrates, £150,921; gold, £73,092. With the exception of wolfram and gold, the values of which advanced slightly for the former and by over 125 per cent for the latter, all these various metals and minerals showed reductions from the previous year's figures both for values and weights. As the economy of the country is so largely dependent upon the returns from its mines, particularly those producing tin, the depressed values and volumes of the minerals exported had a salutary effect within the republic and intensified the economic problems which have been acute for some years due to low world prices for tin and other minerals and the great drain on the country caused by the Chaco war.

IMPORTS

As indicated, imports into Bolivia increased in value from £4,442,534 in 1937 to £5,403,107 in 1938, while the total volume also advanced from 239,802 metric tons to 270,641 tons. Imports, according to figures of the Direction General of Statistics, are given only by general classifications. The most important items in order of value, in pounds sterling, with the comparative figures for 1937, were as follows:—

Cattle, £328,356 (£274,310); cotton textiles, £284,634 (£154,921); mining machinery and equipment, £275,506 (£177,417); wheat, £251,332 (£253,195); white sugar, £186,262 (£196,075); woollen textiles, £153,660 (£78,010); trucks, £123,784 (£163,741); wheat flour, £108,750 (£90,009); rice, £92,894 (£61,311); gasoline, benzine, and other similar distillates, £89,688 (£93,736); crude petroleum, £85,015 (£62,429); explosives, etc., £75,627 (£60,879); malt or malting barley, £73,111 (£42,535); automobiles, buses, and the like, £71,557 (£54,494); railway equipment, £70,017 (£29,518); dynamos, motors, transformers, etc., £69,391 (£40,908); piping and tubing, £65,247 (£40,472); raw cotton, £60,825 (£96,858); pharmaceutical specialties,

£59,985 (£51,182); lumber, unplanned, £58,897 (£77,731); tools and instruments, £51,378 (£40,642); steel bars, beams, and sheets, £50,107 (£60,941); iron bars, beams, and sheets, £49,984 (£41,968); coal, £47,963 (£42,081); machinery, £47,581 (£95,151); lubricating oils, £40,573 (£61,392); mules, £36,199 (£36,178); parts for vehicles, £35,062 (£27,239); railway rolling stock and materials, £34,383 (£31,199); cotton thread, £33,746 (£21,975); automobile tires, £33,693 (£25,951); cotton bags, £32,521 (£21,743); phonographs, radios, etc., £31,373 (£20,414); hats of felt, etc., £29,451 (£24,756); cotton stockings, £25,235 (£26,322); caps, fuses, etc., £22,486 (£21,425); pumps, steam, electricity, or motor, £21,916 (£26,671); handkerchiefs, etc., shawls of wool, etc., £21,387 (£8,914); tea, £20,934 (£15,866); condensed and powdered milk, £20,924 (£15,703); typewriters, calculating machines, etc., £20,675 (£20,425); asses, £20,495 (£16,325); paraffin and similar waxes in paste, £17,014 (£23,134); rubber, leather, and canvas belting, £13,056 (£14,481); Roman cement, £7,477 (£19,466); photographic apparatus and accessories, £5,662 (£4,600); common soap for laundries, £6,179 (£6,060).

About 35 per cent of the imports are not included under any of the above classifications. Items listed as "other imports" were valued at £2,041,117 as compared with £1,531,413 in 1937.

TRADE BY COUNTRIES

Comparative statistics recently issued by the Bureau of Foreign and Domestic Commerce in Washington, D.C., show the trade of Bolivia by countries for the years 1937 and 1938. In these statistics values are given in bolivianos; for purposes of conversion one boliviano is equivalent to U.S.\$0.365 for both years. Total export values declined from 124,598,852 bolivianos in 1937 to 94,829,659 bolivianos in 1938. Imports, as already indicated, increased appreciably in 1938 to 70,558,889 bolivianos from 59,234,452 bolivianos in the previous year. In both years Great Britain and Belgium absorbed over 83 per cent of the total exports, but in imports the United States (with over 25 per cent of the entire market in both years) and Germany (with 13.3 per cent in 1937, which increased to 17.9 per cent in 1938) were the dominant suppliers. There was a noteworthy improvement in the Japanese trading position in 1938. Purchases by Japan increased in value from 36,237 bolivianos in 1937 to 321,951 bolivianos, while imports from Japan advanced from 2,868,395 bolivianos to 4,937,209 bolivianos.

Details of foreign trade by principal countries in 1937 and 1938, in order of import values in the latter year, are as follows:—

Country of Origin or Destination	Imports		Exports	
	1937	1938	1937	1938
	Values in Thousands of Bolivianos			
Total.. . . .	59,234	70,559	124,599	94,830
United States.. . . .	16,429	17,961	9,075	4,369
Germany.. . . .	7,887	12,652	1,345	1,081
Argentina.. . . .	7,639	9,124	2,203	1,761
Peru.. . . .	9,272	9,019	172	231
Japan.. . . .	2,868	4,937	36	322
Great Britain.. . . .	4,673	4,927	74,646	59,250
Chile.. . . .	2,292	3,048	349	242
Belgium.. . . .	2,855	2,534	29,179	20,622
France.. . . .	608	1,004	38	17
Netherlands.. . . .	618	890	5,838	4,356
Sweden.. . . .	810	716	510	343
Italy.. . . .	482	699	27	11
Brazil.. . . .	775	539	747	1,495
All others.. . . .	2,026	2,509	434	730

The percentage shares of total imports and exports credited to each of the five leading suppliers are as follows:—

	Imports		Exports	
	1937	1938	1937	1938
United States.. . . .	27.7	25.5	7.3	4.6
Germany.. . . .	13.3	17.9	1.1	1.1
Japan.. . . .	4.8	7.0	...	0.3
Great Britain.. . . .	7.9	7.0	59.9	62.5
Belgium.. . . .	4.8	3.6	23.4	21.7

TRADE WITH CANADA

None of the above statistics indicates the trade of Canada with Bolivia. Some, however, of a preliminary nature, have been issued in Bolivia for 1938, which credit Canada with sales amounting to £540. In the previous year the value of imports from Canada is reported to have amounted to £989. According to figures issued by the Dominion Bureau of Statistics in Ottawa, exports from Canada to Bolivia were valued at \$133,150 in 1937 and \$117,468 in 1938. The most important reason for the discrepancy between the two sets of values is the fact that exports from Canada to Bolivia must be transhipped one or more times en route. Practically all shipments are via the United States, where they are transhipped to south Peruvian or north Chilean ports for retranshipment by rail to Bolivia. In consequence, the true origin of the goods is usually lost for Bolivian record purposes.

Imports into Canada from Bolivia have never been important and generally consist almost entirely of shelled nuts, the value of which fell materially in 1938 to \$8,360 from \$58,412 in 1937. Miscellaneous articles accounted for \$83 and \$1,936 in the respective years.

While the fall in exports from Canada to Bolivia has been a steady one for a number of years past, Bolivia has never been an important market for Canadian products. Since 1929 Bolivia has passed through very difficult years, due both to the world crisis of that and succeeding years and also to the Gran Chaco war, from which economically the country has not recovered materially. In addition, unfavourable world prices for tin, which were further reduced in 1938, have had an adverse effect upon economic advancement. Following the Gran Chaco war, some recovery was noted in Canadian trade with Bolivia, but for the past several years there has been a definite reaction while exchange difficulties and tariff barriers have intensified the unfavourable trading situation.

CANADIAN EXPORTS TO BOLIVIA

As has been the case for some years past, in 1938 pneumatic tire casings was the most important commodity shipped to Bolivia from the Dominion; exports of this item totalled \$50,217 in value as compared with \$64,710 in 1937. The other commodities exported to Bolivia in 1938, in order of value in Canadian dollars, with corresponding figures for 1937 within parentheses, are as follows:—

Aluminium manufactures n.o.p., \$9,589 (\$6,254); electrical apparatus n.o.p., \$8,971 (\$6,458); porcelain insulators, \$6,115 (\$236); machinery and parts n.o.p., \$6,096 (\$1,314); canned salmon, \$6,018 (\$8,130); tires (inner tubes), \$3,714 (\$5,702); soda and sodium compounds, \$3,552 (nil); agricultural implements, parts, etc. (including threshing machines, separators and parts, \$1,097; ploughs, disks, and parts, \$865; cultivators, \$627; ploughs and parts n.o.p., \$546; all other agricultural implements and machines n.o.p., \$129, and parts of such implements and machines n.o.p., \$104) \$3,368 (\$979); newsprint, \$3,107 (\$10,160); hardware n.o.p., \$2,821 (\$1,582); all other manufactures of iron and steel n.o.p., \$2,272 (\$368); fine nickel, \$1,358 (\$80); condensed milk, \$1,280 (\$1,128); piping and tubing, \$1,224 (nil); rubber boots and shoes n.o.p., \$857 (\$529); wheat flour, \$702 (\$332); telegraph and telephone apparatus n.o.p., \$692 (nil); clothing, including waterproofed, \$619 (\$329); india-rubber manufactures n.o.p., \$540 (\$496); belting, \$511 (\$710); insulated copper wire and cable, \$491 (\$2,234); wallpaper, \$447 (nil); brushes of all kinds, \$379 (nil); lamps and lanterns, \$376 (nil); patent leather, \$329 (nil); books, bound or unbound, \$300 (nil); whisky, \$288 (\$432); cotton clothing n.o.p., \$217 (nil); copper manufactures n.o.p., \$190 (nil); newspapers or other printed and lithographed matter, \$157 (\$34); abrasives, artificial, in wheels and stones, \$140 (nil); spruce planks and boards, \$128 (nil); all other articles, \$403.

Other commodities exported to Bolivia from Canada in 1937 but not listed in 1938 include: Douglas fir planks and boards, \$12,042; settlers' effects, \$5,000; evaporated milk, \$3,000; vegetable food products, \$364; calcium carbide, \$277; rubber hose, \$152; stationery, \$62; mattresses and pillows, \$33; linseed oil, \$23.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

The Canadian Trade Commissioner in London writes that the Import Licensing Department of the Board of Trade announce under date of November 8 that an open general licence has been issued authorizing, until further notice, the importation into the United Kingdom of chutney and curry powder, if consigned to the United Kingdom from any part of the British Empire except Palestine and Transjordan.

In addition it is announced that no further licences will be issued, until further notice, for the importation from *foreign* countries of the following goods:—

Biscuits (this cancels the notification in regard to biscuits in paragraph 3 of the Notice to Importers No. 2).

Fresh fruit of the kinds covered by Import Prohibition (No. 1) Order, except pineapple, currants, strawberries, raspberries, and Tunis dates.

Fresh vegetables of the kinds covered by Import Prohibition (No. 1) Order, except lettuce, endive, broccoli, and cauliflower from France.

Fruit juices, except citrus juices, grape juice, and grape must.

Nuts used as fruit, except almonds, walnuts, chestnuts, Brazil nuts, and Barcelona and hazel nuts.

Chutney.

Curry powder.

[Notice to Importers No. 2 was published in *Commercial Intelligence Journal* No. 1864: October 21, 1939, and Import Prohibition (No. 1) Order in *Commercial Intelligence Journal* No. 1859: September 16, 1939.]

Ireland

CONTROL OF IMPORTS OF WOVEN TISSUES OF WOOL AND WORSTED, AND OF LAMINATED SPRINGS

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that by three Government orders dated October 31, 1939, the following changes and further quotas have been announced:—

Quota Order No. 33 affecting woven tissues of wool and worsted exceeding 1s. 3d. but not 2s. per square yard in value, has been revoked from November 1, 1939, and such materials may now be imported into Ireland without restriction as to quantity.

Quota Order No. 13 affecting woven tissues of wool and worsted exceeding 2s. per square yard in value, has now been fixed at 410,000 square yards for the period November 1, 1939, to January 31, 1940. Of this amount, 405,000 square yards must be manufactured in the United Kingdom or Canada. Formerly this quota was fixed at 270,000 square yards for the period November 1, 1939, to April 30, 1940, with an amount of 265,000 square yards to be manufactured in the United Kingdom or Canada.

A further quota for certain laminated springs of iron and steel and component parts thereof has been fixed at £500 worth for the period December 1, 1939, to February 29, 1940. The quota for the previous six-months' period was fixed at £2,000 worth.

Bermuda

IMPORT RESTRICTIONS

Mr. D. S. Cole, Canadian Trade Commissioner at New York, writes under date November 21, 1939, that, following the outbreak of war, defence regulations for Bermuda were made, operative under the "Imperial Emergency Powers (Defence) Act, 1939." Under this Act the establishment of a Foreign Exchange Control Board and a Food and Supply Control Board was authorized, the latter being governed by regulation 37 of the main set of regulations. By this regulation, competent authority, in pursuit of the efficient prosecution of the war or for maintaining supplies and services essential to the life of the community, was authorized by order to provide:—

- (a) For regulating or prohibiting the production, treatment, keeping storage, importation, exportation, movement, transport, distribution, sale, purchase, use or consumption of articles of any description, and, in particular, for controlling the prices at which such articles may be sold.
- (b) For regulating the carrying on of any undertaking engaged in essential work and in particular, for controlling the charges which may be made by the undertakers in respect of the doing of any work by them.
- (c) For requiring persons carrying on, or employed in connection with, any trade or business specified in the order to produce to such authority or person as may be so specified any books, accounts or other documents relating to that trade or business, and for requiring any persons to furnish to such authority or person as may be specified in the order such estimates or returns as the competent authority may require.
- (d) For any incidental and supplementary matters for which competent authority thinks it expedient for the purposes of the order to provide, including, in particular, the entering and inspection of premises to which the order relates by persons authorized in that behalf by the competent authority, with a view to securing compliance with the order.

Also under part VIII, paragraph 53, the Governor may by order prohibit or regulate the importation into or exportation from those islands of any article of any description. Under these wide powers it is necessary to have a permit for every article imported or exported to or from the islands.

CANNED VEGETABLES

The Bermuda Food and Supply Control Board, under the above powers, are enabled to restrict the issue of import permits. The Food and Supply Control Board, having ascertained that there is a sufficient supply of canned vegetables on hand and also that further supplies are on order to come in at a later date, have restricted the issue of import permits for these products with the end in view of protecting the local market for the supply of fresh vegetables which will be available during the winter months.

As the present vegetable crop will doubtless be available until approximately June of next year, it is conceivable that no permits will be granted until that date for the importation of canned vegetables from Canada or any other source of supply.

CANNED FRUITS

The Food and Supply Control Board, having also ascertained that with the stocks in hand at present and orders placed for future shipments, there will be sufficient canned fruits available for some time, the issue of import permits for these products has been suspended until November 30, when the situation will be again reviewed.

It is likewise possible that, canned fruits being a luxury, considerable time may intervene before further import permits are granted for these products, it being understood that the Bermuda Government is desirous of conserving Canadian exchange, which is somewhat limited at the present time.

GENERAL MANUFACTURED GOODS

The foregoing regulations cover the importation of all manufactured products, and permits from the Food and Supply Control Board are required for the importation of manufactured and other goods regardless of the nature of the commodity. Canadian manufacturers should bear in mind that where manufactured goods are concerned first preference will be given to those of British origin, and Bermuda firms will be encouraged to act accordingly with a view to conserving Bermuda reserves of Canadian exchange.

United States—Venezuela

TRADE AGREEMENT SIGNED

A trade agreement between the United States and Venezuela was signed at Caracas on November 6, 1939, and will enter provisionally into effect on December 16, 1939. The agreement provides for reduced duties on 35 items of the Venezuelan tariff including the following:—

	General Tariff	Trade Agreement Rate
	Bolivars per Kilo	Gross
Salmon, canned	1.20	0.90
Shellfish, canned	2.00	1.50
Hog lard	1.20	0.90
Apples, fresh	1.00	0.75
Fruits, canned or bottled, in their own juice	1.20	0.90
Fruits, canned or bottled, in syrup	1.30	1.00
Wheat flour	0.30	0.24
Vegetables, soups, sauces and relishes, canned or bottled	1.20	0.80
Sweetmeats, bon-bons, and candies of any kind, including chocolate confectionery	6.00	4.50
Crackers and biscuits, unsweetened	0.60	0.40
Hosiery of pure silk or mixture	50.00	40.00
Cigarettes	20.00	12.00
Sawn timber and rough lumber, measuring 25 centimetres or less in thickness at both ends, including pitch pine, Ponderosa pine, sugar pine, Douglas fir, spruce, hemlock, redwood (Sequoia) cedar and southern cypress	0.24	0.15
Writing paper, not lined	1.20	0.90
Beds of ordinary metals, with or without spring mattresses	1.80	1.00
Furniture of ordinary metals, not specified	1.80	1.40
Lanterns, wick and pressure types	1.20	0.80
Parts for agricultural machinery and implements	0.10 to 2.00	0.05 to 1.00
Pharmaceutical specialties and products, not specified	2.00	1.95
Toilet soap, including shaving soap	5.00	4.00
Varnishes and lacquers	1.20	0.80
Paints for varnishing and enamelling	1.50	1.20
Industrial preparations for polishing or cleaning	1.20	0.60

Assurances against duty increases are provided for canned sardines (except in olive oil); bacon; prepared milk; rolled oats and oat flour; hams, pork, sausages and canned pork; special foods for children and dietary uses; elastic garments of cotton; tire repair material; galvanized iron or steel sheets; tin-plate; metal filing cabinets; truck chassis; passenger automobiles; automobile accessories; spark plugs; rubber tires and tubes; radio receiving sets and accessories; motion picture film; refrigerators; sewing machines; typewriters; calculating machines; cash registers; internal combustion engines; absorbent cotton; dentifrices; chewing gum; paints; shoe polishes; sporting goods; electric batteries; transmission belting. Continued free entry is guaranteed for toilet

paper; tractors; and sawn lumber of white pine, pitch pine, and Douglas fir, measuring more than 25 millimetres in thickness.

Canada and Venezuela exchange most-favoured-nation treatment in tariff matters under a treaty of 1825 between Great Britain and Colombia (of which Venezuela was then part).

British Malaya

IMPORT PROHIBITIONS

With reference to the article in *Commercial Intelligence Journal* No. 1869 (November 25, 1939), page 997, Mr. K. F. Noble, Acting Canadian Trade Commissioner at Singapore, cables under date November 24 that the Straits Settlements and Federated Malay States have prohibited the importation of some additional goods as follows: jams, jellies, and marmalade; meat soups; blotting paper; rubber shoes, soles, and heels; underwear; bathing suits; sports equipment; toys; celluloid manufactures; and internal combustion engines except marine Diesel engines.

Mexico

ESTABLISHMENT OF FREE PORTS

A Mexican decree published in the *Diario Oficial* of October 17 gives authorization for the establishment of free ports at Salina Cruz, Matias Romero, Puerto Mexico, and Topolobampo. Organization is placed in the hands of a Board of Directors who will name the date on which the free ports will be opened to international traffic.

Entry and departure of all kinds of merchandise, and the storing, unpacking, transforming, refining or mixing thereof will be exempt from import and export taxes, from customs regulations, and from Mexican federal taxes.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington, New Zealand. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 32, Christchurch District, 110 kv. and 66 kv. outdoor switchgear and steel work for Hororata substation (tenders close March 26, 1940); Section 55, Hamilton District, 110 kv. and 50 kv. outdoor switchgear and steelwork for Hamilton No. 2 substation (tenders close March 19, 1940); Section 35, Palmerston North District, 110 kv. switchgear and steelwork for Ohakune substation (tenders close April 2, 1940); Section 36, Palmerston North District, 110 kv. switchgear and steelwork for Mataroa substation (tenders close April 2, 1940).

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

France

J. P. MANION, ASSISTANT COMMERCIAL ATTACHÉ

Paris, November 8, 1939.—When submitting a request for authorization to import into France, the prospective importer must also submit a request for the foreign exchange necessary to pay for the goods. If the foreign exchange required is to cover only a single shipment, the importer must complete in triplicate—one white, one green and one red—form No. 2, on which must be described the goods for which a separate import licence demand has already been made, and also thereon must be stated the amount of foreign funds

required, which must not be greater than that mentioned on the import demand. The sums, however, may include not only the cost of the goods in the country of origin but also additional costs, presumably transport and insurance.

The foreign exchange demand is sent with the demand for authorization to import to the organization or Ministry responsible for the importation of the particular product which it is proposed to import. When the responsible body is satisfied that an import licence can be granted, they also affix their visa to the demand for foreign exchange.

Since the import body retains two copies of the import licence to send to the customs office at the port of entry, the red copy of the foreign exchange demand is transmitted to them at the same time. The other two copies, however, are returned to the importer, who must submit the green copy to the Exchange Control Office for their approval. The foreign exchange is thereupon placed at the disposition of the importer. As soon as the goods arrive at the customs port of entry, the customs officer affixes his own visa to the copy in his possession, certifying that the goods have duly entered France, and returns it to the Foreign Exchange Office. The Exchange Office, knowing that the goods have arrived, can therefore free the importer from any further obligation.

It is important to note that the importer retains the third (white) copy of the foreign exchange certificate. This copy is not essential to the importer, but it is provided in the regulations that on demand from the foreign exporter this copy may be sent to him as proof that the required currency is available. It would appear important for exporters who are not certain on this point to ask for the white copy of the "*Certificat Destiné à l'Office des Changes*." While this is not proof positive that the foreign exchange has been obtained, since it is not countersigned by the Exchange Office, it at least indicates that a demand for foreign currency has been made.

In case the importation is to be spread over a period of time, in several shipments, space is left both on the import licence and on the exchange certificate for notations of the tonnages and values of the separate shipments. In this case the customs authorities retain their copy of the exchange certificate until the whole transaction is completed.

If an importer has received a licence for more goods than are actually imported and has been granted the necessary exchange, the customs authorities at the end of the period for which the import licence has been granted, return the exchange certificate with full particulars regarding the tonnage and value of the unshipped goods. The importer must return the surplus foreign exchange before his position can be liquidated.

The formula to be used is the same in the three cases mentioned above. There is another form, No. 3, which is to be used in cases where an importer has already received a general permit to transfer funds. If he has received such a general permit up to a specific amount of foreign currency, he must nevertheless make a separate declaration for each lot of goods coming into France. The advantage is that he can draw on the amounts already at his disposal, the separate declarations being necessary only for checking purposes and to permit of the proper deductions being made from his total advances.

In cases where for some reason or other no payment has to be made, a declaration in duplicate must be made on form No. 4.

The same formula is to be used in cases where payment is to be made in francs. As in all cases, the red copy goes to the customs office at the port of arrival, to be returned to the Exchange Office after the goods have arrived, but of the two other copies the white is retained by the importer and the green is sent to the shipper. This constitutes the exporter's proof that he,

as a foreigner, has a balance of francs in France and may at some future time have that balance transferred in francs to his own country.

EXPORT TRADE

For all exports payable in foreign currency the exporter must fill out a form guaranteeing that he will turn over to the Exchange Office the proceeds in foreign currency, to be changed into francs. This declaration accompanies the other documents to the port of shipment, and when the customs office is satisfied that the goods have been duly exported, the form is visaed and returned to the Exchange Office, constituting proof that the goods have been duly exported. In the case of exports payable in francs, which is the more usual procedure, the goods must be accompanied by a declaration by the exporter that the francs will actually be returned to France in payment. According to the regulations, the exporter must be able to prove that the foreign importer is in a position to obtain francs. It is explicitly stated in the regulations that all foreign importers who are under the control of a Foreign Exchange Office in their own country are obliged to provide the French exporter with a copy of their own foreign exchange licence, thereby proving that they have a right to export the required amount of currency.

REGULATIONS GOVERNING FOREIGN VISITORS

Upon entry into French territory, foreigners as well as French nationals are obliged to fill out and sign a declaration stating the amount of money imported, whether in francs or in foreign currencies, as well as the values of any other obligations, securities or titles to property imported. This declaration, after verification by the customs authorities, will be visaed by the customs, and must be retained by the visitor until the time of his departure from French territory. At that time a similar declaration will have to be made. The amount of money taken out can under no circumstances exceed the amount brought into France, unless a special permit has previously been obtained from the Exchange Control Office.

Palestine

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, October 31, 1939.—Under the Defence (Finance) Regulations, which appeared in Supplement No. 2 to the *Palestine Gazette Extraordinary* No. 926 of September 8 and became effective on the date of publication, foreign exchange (all currencies except sterling) can, until further notice, be made available only (a) to meet the reasonable requirements of a trade or business carried on in Palestine; (b) to enable a contract made before September 8, 1939, to be complied with; and (c) to defray reasonable travelling or other personal expenses. Exchange transactions with any part of the British Empire, except Canada, Newfoundland, Hongkong, and the Anglo-Egyptian Sudan, were unrestricted. This provision has been extended since October 14 to every territory in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty and is being exercised by His Majesty's Government in the United Kingdom or in any Dominion, to every British Protectorate or protected state, and to Egypt and Iraq. The Barclays Bank (Dominion, Colonial and Overseas) has been designated as sole dealer for foreign exchange, but the public may continue to deal direct with their usual bankers, who will effect the transaction with Barclays Bank.

Exchange is readily available in Palestine for ordinary business transactions with Canada.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 27, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 27, 1939, and for the week ending Monday, November 20, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 20	Nominal Quotations in Montreal Week ending Nov. 27	Official Bank Rate
Belgium	Belga	.1001	\$.1824	\$.1836	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2141	.2142	5½
Finland	Markka	.0252	.0210	.0211	4
France	Franc	.0392	.0246	.0246	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0080	.0080	6
Holland	Guilder	.4020	.5892	.5892	3
Hungary	Pengo	.1749	.3275	.....	4
	Unofficial		.1954	.1954	—
Italy	Lira	.0526	.0559	.0559	4½
Yugoslavia	Dinar	.0176	.0252	.0251	5
Norway	Krone	.2680	.2521	.2520	4½
Portugal	Escudo	.0442	.0398	.0400	4-4½
Roumania	Leu	.0060	.0079	.0079	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2642	.2642	2½
Switzerland	Franc	.1930	.2490	.2489	1½
United States	Dollar	1.0000	1.1100	1.1100	1
Mexico	Peso	.4985	.2277	.2257	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0246	.0246	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0246	.0246	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2603	.2570	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0447	.0444	—
Colombia	Peso	.9733	.6356	.6357	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5825	4.5800	—
China (Shanghai)	Dollar	.....	.0956	.0851	—
Hongkong	Dollar	.....	.2717	.2706	—
India	Rupee	.3650	.3340	.3337	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.3986	—
Straits Settlements	Dollar	.5678	.5098	.5093	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Following a mid-week drop to \$3.89¼ on November 22 from \$3.93½ on the 20th, sterling free rates at New York subsequently rallied to close the week ended November 27 at \$3.92½. During the same period the Canadian dollar dropped to 86 cents from 87 cents on the 20th but later recovered to 86½ cents at the close. At Montreal French francs eased 1 point during the week to 2.46 cents, while Dutch florins were steady at 58.92 cents. Belgian belgas showed strength, touching a weekly high of 18.43 cents on the 26th, while the closing rate at 18.36 cents indicated a net gain of 12 points on the week. No change was registered in daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds, which remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs and Feedstuffs—			
Alfalfa Leaf Meal.....	513	Glasgow, Scotland.....	Purchase.
Whitefish Meal.....	514	Glasgow, Scotland.....	Purchase.
Cod Liver Oil.....	515	Glasgow, Scotland.....	Purchase.
Miscellaneous—			
Shirts and Collars (Men's).....	516	Bristol, England.....	Agency.
Silk Hosiery (Ladies').....	517	Dublin, Eire.....	Purchase.
Silk Hosiery (Ladies').....	518	Cairo, Egypt.....	Agency.
Socks, Silk, Rayon and Mixtures (Men's).....	519	Johannesburg, South Africa	Purchase.
Underwear, Artificial Silk (Ladies').....	520	Cairo, Egypt.....	Agency.
Locknit Lingerie Fabric of Rayon	521	Cape Town, South Africa..	Agency.
Velour for making Powder Puffs..	522	Auckland, New Zealand...	Agency.
Hessian Cloth for Upholstery....	523	Port of Spain, Trinidad...	Purchase.
Mercerized Machine Twist and Machine Cotton.....	524	Cape Town, South Africa..	Agency.
Printed Lastex Materials.....	525	Auckland, New Zealand...	Purchase.

TRADE INQUIRIES—*Concluded*

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—<i>Concluded</i>			
Watch Bands (Rolled Gold, Stainless and Chrome).....	526	Melbourne, Australia.....	Purchase and Agency.
Brushes (Shoe, Hair, Clothes, Sweeping and Whisk or Broom Heads).....	527	Glasgow, Scotland.....	Agency.
Leatheroid for Insulating Purposes.....	528	Enmore, Australia.....	Purchase.
Roller Skates.....	529	Sydney, Australia.....	Agency.
Bookbinders' and Printers' Sundries.....	530	Tel-Aviv, Palestine.....	Purchase or Agency.
Cigarette Labels.....	531	Belize, British Honduras...	Purchase and Agency.
Writing and Printing Paper....	532	Tel-Aviv, Palestine.....	Purchase or Agency.
Paper.....	533	Cairo, Egypt.....	Purchase or Agency.
Paper.....	534-5	Cairo, Egypt.....	Agency.
Newsprint Paper.....	536	Port Louis, Mauritius.....	Purchase.
Newsprint.....	537	Santiago, Chile.....	Agency.
Glazed Newsprint Paper.....	538	Nicosia, Cyprus.....	Agency.
Bakelising Paper.....	539	Sydney, Australia.....	Agency.
Wrapping Paper.....	540	Cairo, Egypt.....	Purchase or Agency.
Cardboard.....	541	Tel-Aviv, Palestine.....	Purchase or Agency.
Springs (Bed and Upholstery)....	542	Lima, Peru.....	Purchase or Agency.
Blind Rollers.....	543	Sydney, Australia.....	Agency.
Tools (Tradesmen's).....	544	Melbourne, Australia.....	Agency.
Tools (Hand and Bench).....	545	Melbourne, Australia.....	Purchase and Agency.
Typewriter and Calculating Machines.....	546	Barquisimeto, Venezuela...	Agency.
Vacuum-cleaner Tubing.....	547	Melbourne, Australia.....	Purchase and Agency.
Brass Rods and Tubes.....	548	Birmingham, England.....	Purchase.
Flexible Tubing and Shafting....	549	Melbourne, Australia.....	Purchase and Agency.
Tinned Steel Mattress Wire....	550	Birmingham, England.....	Purchase.
Hoop Iron, Cold Rolled.....	551	Alexandria, Egypt.....	Purchase and Agency.
Suitcase Fittings (Handles, Locks, Nickel-plated Bolts and Fibre Corners).....	552	New York City, New York...	Purchase.
Hoop Iron, Cold Rolled.....	553	Melbourne, Australia.....	Purchase and Agency.
Copper Strip.....	554	Melbourne, Australia.....	Purchase and Agency.
Black Sheets for Galvanizing....	555	Melbourne, Australia.....	Purchase and Agency.
Tripoli Powder.....	556	Sydney, Australia.....	Agency.
Lathe Chucks and Pulleys.....	557	Sydney, Australia.....	Agency.
Pit Props, Wooden.....	558	Limassol, Cyprus.....	Purchase and Agency.
Hardwood Flooring.....	559	Nicosia, Cyprus.....	Agency.
Lumber (Hardwood).....	560	Wicklow, Eire.....	Purchase.
Turned Hardwood Parts for Chairs, etc.....	561	London, England.....	Purchase.
Yellow Birch Logs and Dimension Stock or Rock Maple....	562	Glasgow, Scotland.....	Purchase and Agency.
Brush Stocks (Hardwood).....	563	London, England.....	Purchase.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku Tokyo. *Cable address, Canadian.*

Kobe: ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

J. A. LANGLEY, Commercial Attaché, Coolensingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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No. 1871



Canadian Creosoted Railway Sleepers in Ceylon Government
Railway Yard, Colombo

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LXI

Ottawa, December 9, 1939

No. 1871

PAPER CONTROL IN THE UNITED KINGDOM

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

London, November 13, 1939.—The Paper Control Board, set up under the Ministry of Supply, has so far been chiefly concerned with the control of prices in the domestic market. The first order issued by the Control Board set out maximum prices for the sale of paper manufactured in the United Kingdom under 27 different sections. These maximum prices have recently been increased.

MAXIMUM PRICES

At the present time, for instance, the price of newsprint of not less than 70 per cent mechanical pulp, machine finished, in reels, is £17 per ton (of 2,240 pounds) net delivered, plus extra for colours, hard sizing, guaranteed bulk and thin substance; and that of No. 1 kraft paper M.F.—basis 20" by 30"—19 pounds, 480's, and up for 10 tons or over, in sheets or reels (8½" to 15" in diameter) is £25 17s. 6d. per ton (of 2,240 pounds) with reductions or extras, depending on specifications, net delivered. Both the above prices are subject to such extra delivery charges as may be due to present war conditions. The interpretation of what is an extra delivery charge, however, is very strict. War insurance and difference in exchange, for example, may not be added to the price of imported paper, if by so doing the selling price exceeds the maximum figure allowed in the schedule of prices.

Maximum prices have also been set for merchants, jobbers and other non-manufacturing firms, but there are no restrictions on retail sales.

Maximum prices have also been established for the purchase or sale, both by mills and others, of paper-making materials, such as pulp, waste paper and rags, waste ropes and twines, etc., situate in the United Kingdom.

For instance, the maximum price for bleached sulphite pulp is £11 per 2,240 pounds, air dry weight; for kraft sulphate pulp, £6 15s.; and for mechanical pulp, dry, £5 15s. These prices are subject to reductions ranging from 10s. to 40s. per ton for varying qualities in pulps of the above description. All prices are c.i.f. United Kingdom ports.

In so far as pulp is concerned, no person is allowed to buy or sell pulp imported into the United Kingdom at a price which both exceeds the maximum price (if any) provided in the schedule of prices and also exceeds the actual cost of importation. The actual cost is to be considered the c.i.f. United Kingdom price, including in this instance the cost of any marine war-risk insurance that may have been effected. In other words, it is possible for a manufacturer to import pulp at any price; but if a merchant were to import and attempt to re-sell to a mill, the merchant would not be allowed to sell at a price which both exceeded the maximum price laid down and also exceeded the c.i.f. cost. All pulp arriving in the United Kingdom is to be held at the

disposal of the Minister of Supply, who is to be sent such particulars pertaining thereto as he may request.

WOOD-PULP REQUISITIONED

The present position is that the Minister of Supply has taken over all stocks of wood-pulp at the actual cost of importation, and an average price for each class has been calculated covering the cost to the Minister together with the cost of subsequent arrivals up to the end of the year. Both present stocks and subsequent deliveries are being sold at the average price thus obtained to the mills. These prices are actually higher than those contained in the schedule of prices, of which several examples have been given above.

(Although the order under which this requisitioning is carried out mentions all pulp, the Paper Control Board has made arrangements to exempt wood-pulp for rayon manufacture from being requisitioned. In fact, the direct importation of rayon pulp by a manufacturer is being made as simple as possible.)

CONSUMPTION

The efforts of the Control Board have been largely directed so far to keeping down prices of paper, and paper-making materials already in the United Kingdom, but it is felt that sooner or later some measure of control will be extended to imports.* The main objects of such a step will be to control exchange and to keep United Kingdom paper factories working at capacity. In the past the United Kingdom factories have not been able to meet the requirements of home consumption. It is estimated, however, that in newsprint, for instance, the reduction in size of newspapers, which has already taken place, will enable the United Kingdom mills to produce sufficient newsprint, roughly speaking, for this country's war-time requirements. The same remarks do not apply, say, to wrapping papers and board, especially of the better quality, the demand for which may increase due to the war, notwithstanding any economies among the civilian population. It remains to be seen whether this class of paper will be received in larger quantities from Canada or the Scandinavian countries. Undoubtedly the question of the shorter haul from Scandinavia to England will be a consideration.

With regard to bonds, writing papers and specialty papers generally, it is possible that the Paper Control authorities might adopt the attitude that imports of such papers could be drastically curtailed. This would not only make for increased domestic production, but would also conserve foreign exchange.

EXPORTS

Under the Export of Goods Prohibition Order No. 2, 1939, the exporting of paper, included in two schedules, was prohibited unless authorized by licence from the Board of Trade. This order has now been repealed subject to certain conditions, which means that exporting has now been greatly facilitated. This open general export licence for certain goods came into force on October 11.

IMPORTS

The Board of Trade statistics are now only issued in summary form, no details being given as to quantities or supplying countries. Imports of paper-making materials for September were valued at £578,679, which was a decrease

* Imports of paper-making materials have been put under licence since this report was written. Details as to the licensing of such imports will be found under "United Kingdom: Import Licensing Regulations" on page 1107 of this issue.

of £530,180 as compared with the value of imports for September, 1938, and a decrease of not less than £788,332 as compared with that for September, 1937.

The value of imported paper and cardboard in September was £802,560, which was a decrease of £334,627 from the figure for the corresponding month of last year.

TOBACCO STOCKS IN THE UNITED KINGDOM

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

London, November 3, 1939.—Since the outbreak of war the Board of Trade have refrained from publishing statistics on tobacco. The following figures, covering the period ending June 30, 1939, indicate the heavy stocks of tobacco in the United Kingdom:—

United Kingdom Statistics of Unmanufactured Tobacco

Jan.-June	Imports			Cleared for Home Consumption	In Warehouse June 30
	United States	Other Countries	Exports		
	Figures in Pounds				
1939	64,006,010	33,309,776	5,036,500	96,687,703	542,671,000
1938	86,494,128	38,751,873	4,673,540	93,076,221	494,777,000
1937	43,777,030	19,777,860	3,135,835	89,836,756	426,530,000

Of the 33,309,776 pounds of tobacco imported from other countries, as shown above, 31,642,929 pounds were from Empire countries, as listed below:—

Imports of Unmanufactured Tobacco from Empire Countries

Jan.-June	Nyasaland	South Africa	British India	Southern Rhodesia	Canada	Other Empire	Total
Figures in Pounds							
1939	1,007,909	21,515	8,911,857	2,437,504	18,440,931	823,213	31,642,929
1938	1,202,355	46,804	18,582,423	2,371,546	13,945,559	727,576	36,876,263

The quantities of unmanufactured Empire tobacco in the United Kingdom as at June 30, 1939, according to sources of supply, were as follows:—

United Kingdom Stocks of Unmanufactured Empire Tobacco

Nyasaland	South Africa	British India	S. and N. Rhodesia	Canada
Figures in Pounds				
27,129,836	685,743	48,323,855	31,129,422	34,542,375

To the above figures will probably have to be added a small portion of the United States crop bought by United Kingdom tobacco interests prior to the outbreak of war, as well as quantities of Rhodesian and other Empire tobaccos.

In view of these heavy stocks on hand in the United Kingdom, the following figures showing the quantities of Empire tobacco, according to sources of supply, withdrawn annually for home consumption are given for comparative purposes:—

United Kingdom Withdrawals of Unmanufactured Tobacco

Jan.-Dec.	Nyasaland	South Africa	British India	S. and N. Rhodesia	Canada
Figures in Pounds					
1938	12,395,217	147,672	14,604,041	14,477,245	9,796,331
1937	12,174,923	153,793	14,363,168	14,892,443	8,860,576
90138—1½					

SUMMARY OF THE TRADE OF CANADA; MONTH, TEN MONTHS, AND TWELVE MONTHS ENDING OCT. 1939
(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of October 1939				Ten Months ending October 1939				Twelve Months ending October 1939			
	Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States	
	\$	\$	\$		\$	\$	\$		\$	\$	\$	
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	13,229,772	714,390	5,046,222		101,955,440	10,904,684	36,438,217		123,010,839	13,900,477	42,969,362	
Animals and Animal Products.....	3,022,413	152,533	1,997,421		25,167,367	3,273,461	13,204,808		29,146,243	4,071,551	14,551,357	
Fibres, Textiles and Textile Products.....	8,856,506	2,092,749	5,826,905		77,014,258	32,962,159	23,120,252		90,471,946	38,237,068	37,403,147	
Wood, Wood Products and Paper.....	3,581,615	159,987	3,290,557		27,193,568	2,439,450	29,702,552		32,532,559	3,067,697	27,490,551	
Iron and its Products.....	21,575,021	883,512	19,965,370		143,935,697	15,312,355	123,702,639		168,940,041	18,059,814	145,183,758	
Non-Ferrous Metals and their Products.....	4,638,200	296,222	3,591,978		32,583,524	4,273,906	22,463,773		38,153,869	5,292,591	26,033,440	
Non-Metallic Minerals and their Products.....	15,095,413	916,244	12,858,143		107,817,722	9,915,279	85,697,320		127,214,993	12,184,905	100,240,979	
Chemicals and Allied Products.....	5,010,882	296,525	4,329,613		33,833,679	5,637,853	23,605,305		40,237,516	6,898,206	27,046,426	
Miscellaneous Commodities.....	4,043,444	288,970	3,538,031		44,883,740	7,347,227	32,970,606		52,267,534	8,413,626	38,524,977	
Total Imports, 1939.....	79,053,266	5,777,132	60,444,240		594,384,985	92,066,374	380,905,492		701,974,640	110,125,935	457,744,297	
1938.....	63,908,940	11,589,139	38,488,813		569,861,699	101,232,869	357,891,702		703,627,242	124,896,370	439,116,513	
1937.....	82,112,749	13,777,630	47,827,298		675,130,762	123,628,050	409,280,167		794,296,692	144,622,664	477,190,957	
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	24,818,676	6,702,997	13,342,300		151,304,892	74,403,368	40,113,765		195,276,025	98,082,418	49,459,207	
Animals and Animal Products.....	12,944,935	7,376,067	4,174,242		104,902,298	57,213,891	36,277,750		127,671,914	69,637,041	43,123,390	
Fibres, Textiles and Textile Products.....	983,875	3,757,661	4,179,065		12,432,619	3,195,288	2,069,166		14,395,757	3,689,808	2,262,097	
Wood, Wood Products and Paper.....	26,043,647	3,989,347	19,371,546		197,316,239	38,644,881	132,136,811		235,003,634	45,522,067	157,928,290	
Iron and its Products.....	3,450,854	887,116	586,410		12,504,320	13,590,828	4,034,874		15,206,746	15,206,746	4,771,237	
Non-Ferrous Metals and their Products.....	14,770,644	4,830,729	6,418,393		132,480,593	70,262,550	39,284,379		182,007,567	84,225,014	44,912,476	
Non-Metallic Minerals and their Products.....	3,615,017	392,315	2,453,008		22,232,127	2,610,091	12,330,725		27,156,505	3,110,295	14,590,638	
Chemicals and Allied Products.....	2,291,277	376,463	770,252		19,898,100	4,982,276	8,051,913		22,905,501	5,912,071	9,086,570	
Miscellaneous Commodities.....	1,504,931	421,126	795,007		13,691,218	3,555,814	6,896,081		16,137,839	4,457,133	8,184,190	
Totals, 1939.....	90,432,856	25,033,823	48,090,233		726,741,406	268,758,987	281,194,872		881,608,524	330,043,493	334,318,095	
1938.....	88,168,924	36,044,908	27,994,231		682,716,799	278,404,179	217,337,966		858,533,329	358,741,102	270,537,066	
1937.....	93,267,980	40,373,810	31,519,625		821,550,388	321,725,171	306,513,043		1,022,310,808	409,718,555	374,476,524	
<i>Exports (Foreign Produce)</i>												
Totals, 1939.....	985,674	13,168	915,012		8,717,213	710,668	7,313,962		10,543,763	828,456	8,800,622	
1938.....	1,084,974	187,787	815,089		9,273,666	1,617,902	6,810,077		11,232,717	1,793,358	8,388,916	
1937.....	924,163	63,920	741,043		12,795,811	1,121,068	10,629,785		16,022,892	1,275,061	13,422,527	
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1939.....	(e) 12,365,964	(e) 19,269,859	(i) 11,438,905		(e) 141,073,634	(e) 177,403,281	(i) 102,396,598		(e) 190,177,647	(e) 220,746,014	(i) 114,625,580	
1938.....	(e) 25,314,988	(e) 34,043,566	(i) 9,679,493		(e) 122,198,766	(e) 178,789,212	(i) 133,743,659		(e) 166,138,804	(e) 235,638,090	(i) 159,890,531	
1937.....	(e) 12,079,394	(e) 26,660,106	(i) 15,566,630		(e) 159,215,417	(e) 109,218,189	(i) 92,137,339		(e) 244,037,008	(e) 266,370,952	(i) 89,291,906	

GERMAN TRADE WITH LATIN AMERICA

PREPARED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS

(Except where otherwise noted the statistics in this review are taken from official German trade returns, the reichsmark being converted to Canadian currency at the nominal rate of one R.M. equals 40·39 cents. It is known that German trade with Latin America has been transacted on the basis of other rates. Due to wide variations in the bases of currency conversions, as well as to the customary differences in the bases on which values are computed, considerable disparities will be found between the figures in this review and those in reports on the trade of Latin American countries based on the trade returns of those countries.)

Purchases of German goods by Latin America accounted for over one-sixth of all German exports during 1938. Nevertheless, exports from Germany to Latin America were down by 3 per cent from 1937. Their total value was \$257,000,000 in 1938. This was more than purchased by the whole of Asia from Germany, three times as much as purchased by Africa, and almost fifteen times as much as purchased by Australasia. Latin America took almost four-fifths of the total German exports to North and South America.

Just as Latin America has been an important export market for Germany, so have German supplies formed a large part of total imports into Latin America. In 1938 German exports to Brazil exceeded those of the United States by a slight margin. For Chile, Cuba, Ecuador, Mexico, Peru and Venezuela, Germany was the second country of supply; for Argentina and Uruguay it was third.

Brazil

During 1938 German exports to Brazil amounted in value to \$65,170,000 and imports into Germany from Brazil to \$86,594,000. German exports to Brazil include most of the headings, except foodstuffs, in the 200-item industrial classification shown in the German trade returns. Imports from Brazil are recorded under only about one-fifth of the items, and almost two-thirds of their value is made up of cotton and coffee. The biggest single item of export is coal and coke, at \$4,538,000 for 1938, but the bulk of the exports is manufactured products. For example, in the order of their importance, the second to the tenth items of export in 1938 were: pharmaceutical products, \$3,762,000; electro-technical products, \$3,736,000; miscellaneous iron goods, \$3,632,000; automobiles and aeroplanes, \$3,434,000; wrought iron, \$3,180,000; machinery for textiles, leather and leather goods industries, \$3,167,000; sheet iron, \$2,786,000; machine tools, \$2,498,000; other chemical products, \$1,971,000.

The situation indicated by the foregoing figures is typical of most of the German trade with South America, each country of which tends to exchange the one, two or three agricultural or mineral commodities in the production of which nature has given it an advantage for a varied supply of manufactured goods.

The figures are somewhat different in the Brazilian trade returns, but the general picture is the same. Imports from Germany formed 28·4 per cent of Brazil's total imports in 1938.

Argentina

In 1938 Argentina, like Brazil, sold more to Germany than she bought from her, the German figures showing imports of \$87,273,000 and exports of \$59,488,000. Corn, valued at \$19,334,000 in 1938, is the most important item among German imports from Argentina, wool (\$13,624,000) is second, oil seeds for industrial oils third, and wheat fourth. These items comprise more than half of the German imports from Argentina.

Among German exports to Argentina, food and raw materials amount to less than 10 per cent of the total. Miscellaneous iron products were first on the list in value in 1938 at \$6,804,000; industrial electrical products second at \$4,567,000; then automobiles and aeroplanes, \$2,742,000; pharmaceutical products, \$2,580,000; wrought iron, \$2,412,000; miscellaneous machines, \$1,935,000; locomotives, \$1,912,000; steel pipes, \$1,830,000. These make up only a small numerical part of the German exports, which fall under nearly every item of the finished goods section of the classification.

Argentine trade returns show that imports into Argentina from Germany in 1938 accounted for 10·1 per cent of the value of total imports.

Bolivia

Germany's trade with Bolivia comes somewhat closer to a balance than German trade with Brazil or Argentina, and differs from the trade with the latter two in that the balance is somewhat on the export side; German sales for 1938 were valued at \$3,800,000 as against purchases of \$3,358,000. "Other ores," which may be presumed to be largely tin, amounting to \$1,534,000, and lead amounting to \$1,010,000, made up three-fourths of the imports from Bolivia. Exports were scattered throughout the list of finished products in the German trade returns, greater or lesser quantities of all but three of the items being shown. Miscellaneous iron wares at \$324,000 was the leading item in 1938 as in German trade with many other countries. Pharmaceutical products were valued at \$174,000, railway construction material at \$162,000, electrical industrial products at \$158,000, engines at \$144,000, machines for the food industry at \$139,000, and automobiles and aeroplanes at \$139,000.

Chile

German exports to Chile amounted in 1938 to \$36,617,000 as against imports from Chile of only \$24,426,000. Copper at \$8,422,000, wool at \$7,088,000, and nitrogenous fertilizers at \$4,872,000 were the leading imports. Germany's exports to Chile tell the same story as told by exports to the other countries of South America, a relatively small amount of each of a great variety of commodities being shown. Automobiles and aeroplanes at \$3,224,000 were the leading item. Industrial electrical products at \$2,161,000 were second. Fabrics of wool at \$1,326,000, pharmaceutical products at \$980,000, and wrought iron at \$889,000 were next in order of importance. Chilean imports from Germany in 1938, according to Chilean statistics, amounted to 25·9 per cent of the value of Chile's total imports.

Colombia

German-Colombian trade, according to German figures, consisted in 1938 of \$16,666,000 in German exports to Colombia and \$18,831,000 in imports into Germany from Colombia. Considerably more than half of Germany's imports were in the single item of coffee valued at \$10,688,000, and most of the remainder was tropical fruit at \$5,155,000. The exports cover the same wide range as those to other South American countries, 94·7 per cent being finished goods. Pharmaceutical products, \$2,068,000; miscellaneous iron wares, \$1,576,000; cotton fabrics, \$974,000; industrial electrical products, \$766,000; and tools and agricultural implements, \$573,000 were the principal items. Colombian trade returns indicate that imports from Germany accounted for 17·5 per cent of the value of Colombia's total imports.

Costa Rica

Out of imports from Costa Rica in 1938 valued at \$4,495,000, Germany bought \$3,074,000 worth of coffee. Total German sales were \$2,820,000, in-

cluding miscellaneous iron wares, \$223,000; cast iron pipes, \$178,000; cotton fabrics, \$153,000; pharmaceutical products, \$111,000; and ships, \$109,000.

Ecuador

Raw cocoa in 1938 accounted for almost 80 per cent of total German imports from Ecuador, which were valued at \$3,930,000. The largest item in German exports to Ecuador, which amounted in all to \$2,889,000, was miscellaneous iron goods at \$298,000. Next in order were: cotton fabrics, \$188,000; pharmaceutical products, \$150,000; woollen fabrics, \$147,000; automobiles and aeroplanes, \$131,000; and electrical industrial products, \$126,000.

Guatemala

Of German imports in 1938 from Guatemala (which totalled \$5,861,000), the single item of coffee accounted for \$4,953,000. Iron pipes at \$915,000 and steel pipes at \$639,000 were the leading items in German exports of \$5,080,000 to Guatemala. Next were miscellaneous iron goods at \$305,000 and pharmaceutical goods at \$187,000. Imports from Germany, according to Guatemalan figures, formed 35·1 per cent of total Guatemalan imports in 1938.

Mexico

In 1938 German exports to Mexico were valued at \$18,494,000 and imports from Mexico at \$25,136,000. Fuel and oil, \$4,986,000; coffee, \$3,713,000; lead, \$3,346,000; and cotton, \$3,209,000, were the main items imported into Germany from Mexico. German exports to Mexico were 95·7 per cent finished goods. Leading commodities were: pharmaceutical products, \$2,498,000; miscellaneous iron goods, \$1,349,000; industrial electric products, \$859,000; pulp and paper, \$1,143,000; miscellaneous chemical products, \$759,000; tools and agricultural implements, \$641,000. Germany in 1938 supplied 19·8 per cent of the value of Mexico's imports, as recorded in Mexican trade returns.

Paraguay

German exports to Paraguay were valued at less than a million dollars in 1938, the biggest item being miscellaneous iron goods, \$105,000.

Peru

German purchases from Peru were \$15,620,000 in 1938 and sales to Peru were \$12,491,000. Cotton, \$5,498,000, and fuel and oil, \$3,445,000, accounted for more than half of the purchases. Sales were greatest in miscellaneous iron wares at \$1,174,000, which was followed by automobiles and aeroplanes at \$885,000, cotton fabrics at \$773,000, and pharmaceutical products at \$643,000.

El Salvador

El Salvador was a source of German supply to the extent of \$2,993,000 as compared with German sales to that country amounting to \$1,345,000. Coffee was responsible for \$2,944,000 or 98·4 per cent of the purchases. The sales were the usual run of German manufactured goods, with pharmaceutical products at \$138,000 in the lead.

Uruguay

German imports from Uruguay in 1938 were valued at \$15,460,000, of which \$9,084,000 was wool. Exports from Germany to Uruguay amounted to \$14,474,000 in all. Leading items were: electrical products, \$1,288,000; cast iron,

\$1,226,000; automobiles, \$1,161,000; iron plates, \$921,000; and miscellaneous iron goods, \$1,119,000.

Venezuela

Venezuelan trade with Germany showed a Venezuelan import balance in 1938. According to German figures, German exports to Venezuela were valued at \$15,469,000 and imports from that country at \$12,238,000. Coffee, valued at \$6,549,000, was the leading item of import into Germany, with petroleum and tar next at \$3,325,000. Steel pipes, \$2,198,000; miscellaneous iron ware, \$1,696,000; pharmaceutical products, \$853,000; and glass goods, \$714,000, were the largest German exports.

MINERAL PRODUCTION IN BURMA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Rs.1 is approximately equal to 33 cents Canadian)

Calcutta, October 9, 1939.—The mining industry of Burma is of considerably less national value than agriculture but ranks with forestry as of secondary importance in the country's economic life. A recent report on the operation of the Mines Act in Burma contains detailed statistics of mineral production during the fiscal year 1937-38. These are summarized below.

MINING ACTIVITY IN 1938

During the year 1937-38 the number of mines worked in Burma was 585, an increase of 148 over the 1936-37 total. Forty-five units which had previously been in operation were not worked during the year. Improved demand for wolfram ore, of which Burma is an important producer, was the principal reason for this increased activity. Nevertheless, the general position of the industry is described as unsatisfactory owing to the failure of operators to install sufficient equipment and thus to take full advantage of the resources at their disposal. The industry continues to suffer as well from incomplete knowledge of the mineral wealth of the country, no comprehensive survey of these resources having been made to date. The lack of modern roads linking several of the mining districts with the main highways and rivers is also a drawback to progressive development.

STATISTICS OF PRODUCTION

Petroleum is the most important item in Burma's mineral production. Total output in 1938 was 263,823,265 gallons, most of which originated from drilled wells in the Yenangyaung and Chauk districts. This figure was some 11,000,000 gallons less than in 1937. Efforts are being made to counteract natural declines in output by the drilling of new wells in the Mayatmya and Chauk areas.

Production of silver, lead, zinc, and other metals at the Bawdwin mines in the northern Shan states was slightly less in 1938 than in the preceding year. The smelter and refinery of the Burma Corporation Limited turned out 78,900 tons of lead, 1,200 tons of antimonial lead, 60,744 tons of zinc concentrates, 5,900 tons of copper matte, 3,015 tons of nickel speiss, 5,920,000 ounces of silver, and 1,063 ounces of gold. The year's operations of these mines and refinery showed a small decrease in quantity from 1937 figures and a more serious falling-off in the value of the business.

Tin production declined from 4,711 tons in 1937 to 4,519 tons in 1938. Respective values were Rs.7,874,000 and Rs.5,659,000. Tungsten output increased both in quantity and value to 3,849 tons and Rs.5,863,572. There was some further output of both tin and wolfram in the form of mixed concentrates esti-

mated at 1,800 tons and 1,500 tons respectively. Gold production was recorded as 1,209 ounces, practically all of which originated at the Bawdwin mines.

Rubies and sapphires, originating principally in Katha, showed an important increase in production over 1937. The 1938 totals were 212,827 carats and Rs.147,476. Iron ore output was 18,050 tons as compared with 25,426 tons in 1937. Miscellaneous output of minerals also included unrecorded quantities of building stone and road metal, pottery clays, soap sand, and jadeite.

FOREIGN TRADE IN MINERALS

Burma's exports of minerals and mineral products are an important factor in her foreign trade. During 1937-38 they were valued at Rs.174,071,756. Although this value was less than in 1937, it made up some 35 per cent of the total value of the year's export business. Mineral oils led in importance among mineral exports and are followed by pig lead, paraffin wax, wolfram and tin ore, and zinc and spelter. Exports are greatly in excess of imports in this trade, the latter having been valued at Rs.14,322,386 in 1938. This figure was made up largely by coal, fuel oils, and precious stones.

GOVERNMENT REVENUES

The mining industry in Burma provides an important source of revenue for the Government. This is obtained through rents, fees, and royalties. In 1938 the Government collected Rs.5,259,443 from operators of concessions, mines, and refineries, the petroleum industry alone contributing Rs.3,475,991 of this total. The bulk of the remainder was collected as royalties on tin, wolfram, lead, and silver output.

IMPORTS OF MINING EQUIPMENT

Burma's mining industry provides an important market for sales of many types of mining equipment manufactured in foreign countries. Trade returns show that imports of machinery designed for use in mining were valued at some Rs.6,000,000 during recent years. This figure does not include large quantities of pumps, electric equipment, chemicals, and the many other articles required in mining and refinery operations. Owing to the importance of the United States as a supplier of oil-drilling and oilwell equipment, that country occupies first rank as a source of Burma's requirements of mining machinery, followed closely by the United Kingdom. Belgium, Poland, and Germany have also participated in the trade on a smaller scale.

UNITED STATES WHEAT AND FLOUR TRADE

C. H. WEST, ASSISTANT TRADE COMMISSIONER

New York, October 23, 1939.—The preliminary estimate of United States wheat production for 1939 is 739,445,000 bushels as compared with 930,801,000 bushels in 1938, a reduction of 191,356,000 bushels or approximately 21 per cent. This is a result of decreased acreage this year, since the indicated 1939 yield per acre is 0.1 bushel above the 1938 yield. The estimated crop for 1939 is about 2 per cent under the ten-year (1928-37) average of 752,952,000 bushels.

In August the 1939 winter wheat crop was estimated at 550,710,000 bushels, and this figure has not been changed. The production of spring wheat, other than durum, is estimated to be 155,591,000 bushels, which is nearly 25 per cent less than the 1938 crop of 203,719,000 bushels, but only 1 per cent under the ten-year average of 157,716,000 bushels. On an acreage basis the 1939 estimate for "other spring wheat" is 11.7 bushels as compared with 12 bushels in 1938 and the ten-year average of 10.9 bushels.

Durum wheat production is estimated at 33,144,000 bushels, which is the largest production of durum since 1932, with the exception of last year's crop of 40,445,000 bushels. The ten-year average for this type of grain is 35,076,000 bushels. The 1939 estimate indicated a yield of 10·7 bushels per acre, which is somewhat under the 1938 yield of 11·4 bushels but above the ten-year average of 9·4 bushels.

VARIETIES AND PRODUCING AREAS

Under the official grain standards of the United States, wheat has been divided into five commercial classes, which are grown in the following general areas:—

1. Hard red spring wheat—in the North Central States, where the winters are too severe for the production of winter wheat.
2. Durum wheat—in the same general area, the leading states being North Dakota, South Dakota, and Minnesota.
3. Hard red winter wheat—principally in the South Central States.
4. Soft red winter wheat—in the Eastern States.
5. White wheat—chiefly in the Far Western States.

PRODUCTION BY CLASSES

The following table shows the production of wheat in the United States by classes:—

Year Average	Winter		Spring		White	Total
	Hard Red	Soft Red	Hard Red	Durum ¹	(Winter and Spring)	
	1,000 Bushels		1,000 Bushels		1,000 Bushels	
1928-37	318,452	191,312	118,804	36,723	87,662	752,952
1938	387,610	236,800	161,440	42,010	102,941	930,801
1939 ²	302,965	198,365	127,088	34,073	76,954	739,445

¹ Includes durum wheat in States for which estimates are not shown separately.

² Preliminary figures.

IMPORTS OF WHEAT

For the six months ending June, 1939, imports of wheat into the United States totalled 5,632,457 bushels as compared with 3,829,062 bushels for the whole of 1938. Of the first-mentioned total, 3,962,227 bushels entered duty free under the classification of wheat for grinding in bond and export to countries other than Cuba, all of this coming from Canada. The Dominion also supplied the total imports of 2,941,729 bushels under this category in 1938.

During the January-June period of 1939, imports of wheat for grinding into flour for export to Cuba amounted to 1,467,501 bushels as against 839,308 bushels for twelve months of 1938. In both periods Canada was the sole source of supply.

Wheat unfit for human consumption was brought in to the extent of 184,316 bushels during the first half of the present year, a marked increase over the 22,653 bushels recorded for the whole of 1938. The Dominion was credited with nearly 90 per cent of the first-mentioned imports, while in the earlier year the entire quantity came from Canada. The duty on feed wheat is 10 per cent, except that from Canada it is 5 per cent under the terms of the Canada-United States Trade Agreement effective January 1, 1939.

Imports of wheat not included under any of the foregoing classifications, and which is dutiable at 42 cents per bushel, amounted to only 18,413 bushels during the first six months of this year as against total imports of 25,372 bushels in the calendar year 1938. In both periods Canada was the only shipper of importance.

Prior to 1938, imports of wheat reflected the adverse crop conditions in this country, beginning with 1933. In 1933 and 1934 severe drought was experienced, and in 1935 there was one of the worst rust epidemics in history. Unfavour-

able weather conditions were also encountered in 1936, and normal growing conditions did not return until the following year, when a better than average crop was obtained. The better quality of the domestic crop in 1937 and 1938 also directly affected imports of milling wheat during those years.

The following table shows United States imports, under the different classifications noted, from 1935 onwards:—

Wheat for Grinding in Bond and Export to Countries Other than Cuba

Origin	1935	1936	1937	1938	Jan.-June, 1939
Canada Bushels	7,426,755	9,221,369	5,751,193	2,941,729	3,962,227
Argentina Bushels	91,697	.....	.....	.....	.....
Total Bushels	7,518,452	9,221,369	5,751,193	2,941,729	3,962,227
Total value \$	5,928,225	8,196,304	6,022,880	1,865,402	2,107,660

Wheat for Grinding into Flour for Export to Cuba

Origin	1935	1936	1937	1938	Jan.-June, 1939
Canada Bushels	3,910,440	4,096,035	3,280,534	839,308	1,467,501
Other countries . . . Bushels	2,636	3,643	.....	.....	.....
Total Bushels	3,913,076	4,099,678	3,280,534	839,308	1,467,501
Total value \$	3,361,785	3,735,734	3,811,335	637,577	902,005

Wheat Unfit for Human Consumption

Origin	1935	1936	1937	1938	Jan.-June, 1939
Canada Bushels	12,870,946	5,483,307	288,848	22,653	164,726
Other countries . . . Bushels	58,208	15,950	3,000	.....	19,590
Total Bushels	12,929,154	5,499,257	291,848	22,653	184,316
Total value \$	8,653,357	4,046,468	288,466	7,309	41,399
					Jan.-June,

Other Wheat

Origin	1935	1936	1937	1938	1939
Canada Bushels	14,508,440	34,074,331	8,390,881	25,260	18,366
Other countries . . . Bushels	1,276	95,380	1,229	112	47
Total Bushels	14,509,716	34,169,711	8,392,110	25,372	18,415
Total value \$	12,419,067	32,146,884	9,660,509	31,986	20,591

Practically all the wheat that was imported for grinding in bond for export to Cuba and other countries entered through the customs port of Buffalo. All imports in 1938 and during the first six months of this year entered through this port, although in previous years small quantities have come in through Toledo and Galveston.

Buffalo is also the important port for wheat for domestic consumption. Substantial quantities of milling wheat were shipped through Duluth-Superior and Chicago, as well as other western points, during the periods of drought shortage in this country. The same ports figured largely in imports of feed wheat, and ports of entry in Vermont and New York State have been of importance in this trade in the past.

No record is kept of imported wheat by types, but all imports from Canada for use in the manufacture of flour are probably of the hard spring variety.

IMPORTS OF WHEAT FLOUR

Little or no Canadian wheat flour is sold in the United States. Comparatively small quantities are imported for the purpose of blending with flour milled from domestic wheat. These imports for consumption are subject to duty at

1.04 cent per pound. In addition there are free imports of flour for blending and manufacture in transit and as ships' supplies.

The following table shows imports of all wheat flour during the years 1935 to 1938 inclusive and for the first six months of the present year, the volume of free imports being also given:—

United States Wheat Flour Imports

	1935	1936	1937	1938	Jan.-June 1939
CanadaPounds	2,363,473	7,235,903	4,918,994	14,241,602	5,927,439
Other countries . . .Pounds	247,596	1,593,696	58,840	47,359	21,724
TotalPounds	2,611,069	8,829,599	4,977,834	14,288,961	5,949,163
TotalPounds	54,323	184,130	158,051	224,044	58,294
Free imports . . .Pounds	161,934	2,555,047	889,227	13,423,840	5,633,833
ValuePounds	4,019	47,822	24,877	209,449	52,078

As will be noted, Canada supplies most of the imports, the other suppliers being of negligible importance by comparison. Not all of the imports credited to the Dominion are for continental United States; customs entries show that a fair portion is cleared at the Virgin Islands. In the first six months of this year 287,336 pounds have been for consumption in the Virgin Islands, and during 1938 they imported 376,681 pounds of wheat flour.

EXPORTS OF WHEAT AND WHEAT FLOUR

WHEAT EXPORTS

With the exception of the drought years, the United States traditionally has been an exporter of wheat. Wheat exports in 1938 were second in importance to those of corn, both in volume and value, and totalled 86,980,843 bushels valued at \$78,141,208. These exports were more than twice as large as those of 1937 and many times greater than the shipments in 1936 and 1935.

In the latter part of August, 1938, owing to the large stocks of wheat available for export, the Federal Surplus Commodities Corporation of the Department of Agriculture announced the granting of an export subsidy on wheat and flour. Under this program the federal organization purchased wheat in domestic markets from regular grain dealers and producers and sold it to exporters at prices at which it could be disposed of to foreign buyers. In the case of flour indemnity payments were made to exporters at rates announced from Washington daily. These rates were related to the difference between domestic and export values of wheat.

This export program affected shipments beginning only with the last four months of 1938. For the year ended June 30, 1939, out of total sales of wheat and flour for export of about 118 million bushels, sales of approximately 94 million bushels were assisted by the Federal Surplus Commodities Corporation. This included about 70 million bushels of wheat in the form of grain and 24 million bushels of wheat in the form of flour.

Following is a table of exports of wheat by countries of destination from 1935 to 1938 inclusive; for the first half of 1939 total exports amounted to 47,963,195 bushels valued at \$27,486,379:—

	1935	1936	1937	1938
		Figures in Bushels		
Belgium	77,390	29,652	6,172,465	12,478,860
Denmark . . . . .	.....	.....	144,078	1,815,362
France . . . . .	.....	66,759	588,628	867,263
Germany	11,200	.....	668,608	3,214,816
Greece . . . . .	.....	.....	622,500	2,153,183
Ireland . . . . .	.....	399,466	3,394,899	10,557,555
Italy . . . . .	.....	204,342	449,669	1,394,440
Netherlands	2,503	335,599	7,186,670	14,923,649

	1935	1936 Figures in Bushels	1937	1938
Portugal . . . . .	.....	.....	.....	1,817,637
Spain . . . . .	.....	.....	351,458	170,000
United Kingdom . . . . .	.....	197,317	6,561,631	26,045,858
Canada	14,459	53,641	5,604,856	5,966,406
Panama	5	251,999	1,016	690
Salvador	78,327	107,335	182,315	209,797
Mexico	3,642	31,195	996,075	2,898,496
Bolivia . . . . .	.....	.....	393,573	.....
Brazil . . . . .	.....	.....	355,500	100
Peru . . . . .	.....	.....	586,918	55,416
China . . . . .	.....	.....	.....	693,265
Japan . . . . .	.....	132,834	41,667	.....
Other countries	45,439	69,099	545,911	1,718,150
Total Bushels	232,965	1,879,238	34,848,437	86,980,943
Total \$	212,231	1,851,385	38,711,199	78,141,208

On August 19, 1939, in order to make the wheat export program more efficient, payments to the exporters were placed on a direct subsidy basis, similar to the method followed in the flour export program. At the same time the wheat export program was extended to July 31, 1940. A prior announcement of July 11 extended the date for the subsidized sale of flour to June 30, 1940.

Subsidy payments to exporters amounted to around 35 cents per bushel during the latter part of August. Since that time the grain markets in Liverpool and Rotterdam have been closed, and there is no basis for determining parity levels. Recently the wheat subsidy has been about 25 cents per bushel, but this has been in scattered sales to non-European countries and does not furnish a basis for estimating general export parity at present. Indemnified flour sales have been substantial since the war started, and have been widely distributed among importing countries.

FLOUR EXPORTS

Exports of wheat flour milled wholly from United States grain, fostered by the export subsidy program, increased from 2,270,097 barrels (of 196 pounds) valued at \$11,927,112 in 1937 to 3,701,193 barrels valued at \$15,927,112 in 1938. For the first six months of 1939 exports of this flour amounted to 2,912,011 barrels valued at \$7,953,881.

On the other hand, exports of flour milled in bond declined from 2,182,611 barrels valued at \$13,339,314 in 1937 to 1,511,597 barrels valued at \$7,419,277 in 1938. During the first half of the present year, bonded wheat flour exports totalled 1,012,000 barrels valued at \$3,712,048.

Particulars of wheat flour exports by countries of destination for the years 1935 to 1938 inclusive are given in the following table; for the first six months of 1939 total exports of wheat flour milled wholly from United States wheat amounted to 2,912,011 barrels (\$7,953,881) and of other wheat flour to 1,012,000 barrels (\$3,712,048):—

United States Exports of Wheat Flour, Wholly from United States Wheat

	1935	1936 Figures in Barrels	1937	1938
Netherlands	19,984	60,285	364,249	441,286
Norway	59	1,683	23,954	59,966
United Kingdom	52,144	40,479	90,474	174,826
Canada	3,113	13,841	52,564	76,776
Costa Rica	16,858	14,733	36,366	69,809
Guatemala	66,030	45,871	85,832	92,545
Nicaragua	45,957	32,997	33,369	30,096
Panama	53,799	55,921	62,881	83,602
Salvador	25,999	19,177	25,137	22,670
Mexico	15,105	7,202	20,739	4,872
Newfoundland and Labrador	2,685	11,500	20,085	50,833
Cuba	220,060	162,932	310,160	543,592

Exports of Wheat Flour, Wholly from United States Wheat—Concluded

	1935	1936	1937	1938
		Figures in Barrels		
Jamaica	1,732	1,112	9,732	31,436
Haiti	17,162	14,068	28,991	43,296
French West Indies	4,624	3,314	53,182	93,450
Ecuador	10,485	32,945	90,642	102,357
Venezuela	10,965	6,577	36,185	110,101
China	8,363	5,709	17,456	224,893
Hongkong	69,391	31,520	204,540	228,754
Philippines	247,426	363,404	527,079	878,803
Other countries	45,584	52,671	176,480	337,230
TotalBarrels	937,525	977,941	2,270,097	3,701,193
Total \$	4,222,468	4,533,542	11,927,112	15,927,112

United States Exports of Other Wheat Flour

	1935	1936	1937	1938
		Figures in Barrels		
Netherlands	80,584	256,243	102,223	35,086
Norway	103,478	101,184	107,424	73,538
United Kingdom	611	3,127	6,091	25,593
Canada	1,045	.....	2,244	2,860
Costa Rica	61,108	77,235	63,667	37,337
Guatemala	32,597	26,169	17,775	10,605
Panama	70,478	75,333	62,031	42,689
Cuba	789,314	860,485	742,807	445,599
Dominican Republic	49,247	46,675	42,239	38,295
French West Indies	101,229	101,779	64,514	37,002
Netherlands West Indies	36,629	37,809	33,732	27,691
Haiti	90,618	115,419	72,771	38,572
Newfoundland and Labrador	107,401	112,496	86,839	69,258
Brazil	69,194	66,220	58,669	15,625
Ecuador	16,082	34,090	13,325	2,525
Venezuela	179,549	203,677	217,231	207,095
Palestine	29,707	.....	30,954	32,345
Philippines	879	8	8	26
Egypt	158,642	159,052	149,323	105,274
Gold Coast	67,610	84,538	91,194	74,084
Nigeria	30,423	34,066	27,402	25,546
French Africa	48,543	63,096	47,455	39,568
New Zealand	37,296	22,269	.....	.....
Other countries	197,642	200,675	142,693	124,384
TotalBarrels	2,359,906	2,681,645	2,182,611	1,511,597
Total \$	10,703,954	12,964,639	13,339,314	7,419,277

MILLING INDUSTRY

In value of products domestic flour milling is among the leading food industries, and according to the last census of manufactures, in 1937, it ranked third to meat packing and bakery products, with an output assessed at \$856,310,470.

For the crop year ending June 30, 1939, the Bureau of Census of the Department of Commerce received returns from an average of 1,105 mills with a normal manufacture of 5,000 or more barrels of flour annually. The total quantity produced was 104,637,760 barrels of flour and 8,455,725,231 pounds of offal.

It required 274·8 pounds of wheat to produce a barrel of flour in that crop year as against 276·6 pounds in the previous crop year. Offal averaged 80·8 pounds per barrel of flour as compared with 83 pounds for the preceding crop year.

Out of the 1,105 average number of mills reporting, 157 plants or 1·42 per cent, with a daily 24-hour capacity of over 1,000 barrels, produced 73·2 per cent of the total flour reported.

Of the total production of 104,637,760 barrels, Kansas mills accounted for 15,466,919 barrels or 14·8 per cent, followed by New York, 13,029,246 barrels (12·5); Minnesota, 11,969,067 barrels (11·4); Missouri, 9,762,099 barrels (9·3); Texas, 6,225,219 barrels (6); Illinois, 5,850,979 barrels (5·6); Washington,

5,062,838 barrels (4.8); Oklahoma, 4,139,847 barrels (4); Ohio, 3.5 per cent; Oregon, 3.2 per cent; Nebraska, 2.8 per cent; and Indiana, 2.5 per cent.

A complete list of elevators at various important milling and grain-forwarding centres in the United States is published in the 1939 almanack section of *The Northwestern Miller*, together with the grain-storage capacity of the elevators.

For the period subsequent to June of this year it was reported by *The Northwestern Miller* that mills representing approximately 64 per cent of the total national flour output had produced 5,667,539 barrels of flour in July and 6,092,055 barrels during August, the latter being slightly less than the figure reported for August, 1938, when 6,112,693 barrels were produced.

WHEAT FLOUR STOCKS

As of June 30, 1939, wheat flour stocks in all positions amounted to 3,641,238 barrels, according to figures received from 758 concerns producing 92.8 per cent of the total wheat flour production of 105,273,951 barrels, as shown by the 1937 Census of Manufactures. Twenty-four of these concerns held no stocks. On June 30, 1938, supplies held by 785 milling concerns totalled 3,508,143 barrels.

BAKING INDUSTRY

The United States baking industry is well up among the ten leading industries of the country, according to returns compiled from the Census of Manufactures for 1937. It ranked first in annual payroll and second in value of products among the food industries.

About 65 per cent of the bread consumed is baked commercially. There are no uniform standards for loaf measurements, but some states and municipalities have passed laws regulating the weight of bread loaves. The wrapping of bread for sanitary reasons has been general for about twenty years. In addition, most bread is now sold in ready sliced form, and the question whether this has increased the consumption or otherwise remains unsettled.

There can be no doubt that bread is not eaten as extensively as in former years. In 1902 the per capita consumption of flour was slightly less than 230 pounds. By 1934 this had been reduced to 160 pounds, a decline of 30 per cent or nearly $2\frac{1}{4}$ pounds per person for each year of that 32-year period. Again in 1936-37, when a survey was undertaken by the Millers National Federation, the per capita consumption was down to 153 pounds. It cannot be said that wheat is being displaced by other grains; in fact, wheat in its various forms has tended to supplant the coarser cereals such as corn. The explanation lies in changed living conditions and the greater competition of other types of foods such as fresh fruits and vegetables.

Plants manufacturing bread and other bakery products, except biscuits and crackers, aggregated 16,874 in 1937, with production valued at \$1,217,865,027. Of the total number of establishments noted, 2,478 were wholesale only, with an output estimated at \$503,873,643, and 9,385 retail establishments had a production totalling \$284,236,797.

Manufacturers of biscuit and crackers numbered 319 in 1937, the total value of their products being \$208,297,832.

Of the entire output of the bakery industry for the year 1937, the state of New York is credited with \$243,836,287 or 17 per cent, Pennsylvania with \$149,544,145 (10 per cent), and Illinois with \$126,437,147 (8 per cent). These three states together accounted for \$519,817,579 or more than 36 per cent of the total recorded for the United States.

From an analysis made in 1935 it was ascertained that approximately 50 per cent of bakery products, other than biscuit and crackers, are distributed through retailers, including chain stores, and that about 25 per cent is delivered

direct to the household consumer. In the aggregate these two methods accounted for nearly 75 per cent of total deliveries.

In the case of biscuit and crackers the chief outlet was through retail stores and wholesalers in about equal proportions, both together accounting for over 80 per cent of distributed sales.

DOMESTIC WHEAT PROGRAM

Following the drought years of 1933 to 1936, a better than average crop was secured in 1937, and it was considered necessary to control the surplus that seemed in prospect with the return of normal growing conditions. Accordingly, in February of 1938, Congress passed the Agricultural Adjustment Act of 1938, commonly referred to as the Triple A program. This replaced the original Triple A program of 1933 that was afterwards voided by the United States Supreme Court.

Reference has already been made to the governmental financing of domestic wheat exports, which aims to maintain a fair share of the world wheat market for the United States. The other principal features of the domestic wheat program are described here.

ACREAGE ALLOTMENTS

In the AAA of 1938, provision is made for a voluntary adjustment of wheat acreage according to a national acreage allotment program that was first applied to seedings for harvest in 1939. Individual allotments are based upon the tillable acreage, the crop rotation practices, type of soil, and the topography of the farm for which it is intended. For keeping within the seeding limits assigned to him the farmer is paid so much per bushel on the normal yield of his acreage allotment.

The program is designed to maintain in the United States a total supply of wheat about 30 per cent larger than normal domestic consumption and exports. This means an annual carry-over of from 210 to 225 million bushels, in addition to the 700 to 750 million bushels needed for such consumption and exports. It is estimated that with average yields the domestic and export requirements can be produced on from 58 million to 63 million acres of land, so that when the carry-over exceeds the level that has been fixed, the wheat acreage will be reduced below those limits.

The national wheat acreage allotment for 1939 was only 55,000,000 acres, due to the exceptionally large crop in 1938, but for 1940 it has been increased to 62,000,000 acres. Correspondingly the 1940 wheat payment will be lower than the 28 cents per bushel payment for 1939.

COMMODITY LOANS

Another phase of the domestic wheat program is the making of loans to wheat producers in years of excessive production and low prices. The AAA of 1938 authorizes and directs the Commodity Credit Corporation to offer loans, on the security of stored wheat, to farmers who co-operate in the agricultural conservation program in any year in which the farm price of wheat on June 15 is below 52 per cent of the parity price, or in which the Department of Agriculture July crop estimates indicate a wheat crop larger than a normal year's domestic consumption and exports.

The rate on loans is fixed at not less than 52 per cent and not more than 75 per cent of the parity price of wheat at the beginning of the marketing year (July 1).

Parity is the price at which wheat would have to sell to give the commodity the same purchasing power with reference to articles which farmers buy as wheat had during the pre-war period 1909-14.

CROP INSURANCE

The AAA of 1938 creates a Federal Crop Insurance Corporation (FCIC) which provides all risk crop insurance to producers who co-operate in the wheat program. Premiums are paid in advance in actual wheat or its cash equivalent, and the rate is based upon the risk involved in each locality and on each farm. Wheat received in premiums is stored by the Corporation, who are prepared to pay any losses in wheat or its cash equivalent. Coverage may be obtained up to 75 per cent of the normal crop.

Under the insurance program for 1939, more than 170,000 all-risk policies were written, and more than 90 per cent of the policies were for 75 per cent coverage. Growers paid to the Corporation premiums representing 7,243,000 bushels of wheat, and more than 11,000 wheat growers whose 1939 crops were damaged collected indemnities of 2,670,236 bushels. The value of the indemnities disbursed to growers up to August 12 was \$1,424,616.

The largest number of indemnities have been paid in Nebraska (2,614), and Texas growers received the greatest amount in indemnities (\$454,525).

WHEAT SUPPLIES FORECAST

According to information supplied by the United States Department of Agriculture, wheat supplies in the United States for the year beginning July 1, 1939, are estimated at 990 million bushels, or about 100 million bushels less than in 1938-39. Domestic disappearance for the year beginning July 1, 1939, is forecast at about 695 million bushels. Deducting this from the estimated supply leaves 295 million bushels for export or carry-over. If exports should be near the 10-year (1928-37) average of about 70 million bushels, this would result in a carry-over on July 1, 1940, of about 225 million bushels.

The following are estimated wheat supplies and distribution by classes for 1939-40, as estimated in Cargill's Crop Bulletin for September:—

Carry-over July 1, 1938 (old wheat):	Hard Red Winter	Soft Red Winter	Hard Red Spring	Durum	White	Total
	Figures in Million Bushels					
Farms and interior mills and elevators	45	20	39	10	15	129
Commercial	29	5	24	4	2	64
Merchant mills.. . . .	40	5	10	4	2	61
Total carry-over	114	30	73	18	19	254
Production, August (estimate)	303	198	122	32	76	731
Total supply	417	228	195	50	95	985
Prospective utilization	273	210	115	27	75	700
Available for carry-over, insurance stocks and export..	144	18	80	23	20	285

PRICES

Wheat prices in the United States are relatively high as compared with prices in other exporting countries. This is a result of a United States crop this year which is only moderately above domestic disappearance, a comparatively large proportion of the wheat crop being placed for loan, and the continuance of the export aid program in 1939-40.

Taking into consideration the depreciation in the Canadian dollar, American wheat at the moment is about 20 cents per bushel dearer than Canadian wheat, and the United States market would tend to continue upwards if it were not for the realization by dealers of the heavy supplies in other countries of export, particularly the Dominion.

WHEAT AND FLOUR TRADE IN SWEDEN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

(One Swedish krone equals approximately \$0.25 Canadian; one metric ton equals 36.73 bushels or 2,204 pounds; one kilo equals 2.2 pounds)

Oslo, October 9, 1939.—During the years 1926 to 1931 approximately 25 per cent of the domestic demand in Sweden for bread grain was met by imports. By 1933 net only was this demand covered by domestic production, but there was a surplus for export. Local production had increased despite reduced prices for wheat on the world market, due to over-production and accumulation of stocks. This situation has been mainly responsible for the introduction and maintenance of various control measures (apart from tariff protection, long in force) in Sweden, designed to ensure the production of Swedish wheat and rye crops and their sale on the home market.

In the face of adverse conditions then prevailing, production had a tendency to decrease after 1934, but growing expansion of acreage in recent years, under the stimulus of relief measures and guaranteed prices for wheat and rye, has brought domestic production up to peak levels. Increasing imports have helped to build up reserve stocks to cope with possible emergencies. The policy of meeting requirements out of domestic resources, which has been successfully achieved in Sweden, has been vindicated by recent events, and it is likely that these results will enhance still more the policy of increased agricultural production during the next few years.

DOMESTIC PRODUCTION OF WHEAT

Domestic production of wheat in Sweden has increased to a remarkable extent during the last decade. While the average yearly harvest for the period 1926-30 amounted to some 466,000 tons, this has risen to an average of 726,000 tons for the period 1934-39, an increase of over 50 per cent in the course of a few years.

There are various reasons for this increase apart from a gradual change over in consumption from rye to wheat as indicated by reduced annual rye crops. The policy adopted by the Government of guaranteeing prices well above the world market levels acted as an incentive for farmers to increase the acreage devoted to the cultivation of wheat and resulted in a change over from fodder to cereal production. The following table shows the production of spring and winter wheat in Sweden during the past ten years:—

Production of Wheat in Sweden

	Spring Wheat Figures	Winter Wheat in Metric Tons	Total Wheat
1930	76,833	489,767	566,600
1931	96,015	367,558	463,573
1932	126,279	528,944	655,223
1933	149,826	566,970	716,796
1934	124,601	632,182	756,783
1935	108,976	533,586	642,562
1936	121,340	467,480	588,820
1937	121,400	578,590	699,990
1938	139,658	681,831	821,489
1939*	141,000	708,800	849,800

* Estimated.

The foregoing table shows that crops in 1938 were greater than during any previous year, and preliminary figures for 1939 indicate still larger crops.

The following table shows the areas sown to spring and winter wheat for the past nine years and indicates the increase in acreage, which is proportionately

higher for spring than for winter wheat. The total increase from 1930 to 1938 is more than 110,000 acres, the area for the latter year being 759,418 acres, the largest figure on record.

Wheat Acreages in Sweden

	Spring Wheat Acres	Winter Wheat Acres	Total Wheat Acres
1930	116,644	529,696	646,330
1931	151,065	531,737	682,802
1932	159,241	528,421	687,662
1933	203,084	545,021	748,105
1934	163,010	554,601	717,611
1935	143,162	530,843	674,005
1936	171,149	523,328	694,477
1937	161,855	572,350	734,205
1938	170,283	589,135	759,418

Under the heading "Import Trade," below, more detailed information is given concerning the increase in home production of wheat and the consequent necessity of finding export outlets for the surplus wheat produced.

FLOUR MILLING

With a view to counteracting the incentive offered by the guaranteed price for wheat to increase production, and with the object also of providing the State with revenue from which to meet losses incurred in connection with grain control, a milling tax was introduced in 1934, the guaranteed price being reduced by a corresponding amount. This tax, which at the outset amounted to 1 krona, per 100 kilos, has varied in the course of years, the maximum rate (2·50 kronor) being applied during the period September, 1935, to January, 1937. For the period October, 1938, to August, 1939, the rate had been fixed at 2·50 kronor, but it is now 2 kronor per 100 kilos—approximately 20·5 cents per bushel in Canadian currency.* This tax, which is also applicable to domestic wheat, was brought into force on September 1, 1935, but at the same time the previous export tax of 5 kronor per 100 kilos, levied in addition to the customs duty, was abolished. The milling tax is collected by the Government Agricultural Committee, and the proceeds are used to defray expenses incident to the grain control system.

MILLING REGULATIONS

On June 13, 1930, the Swedish Government passed what is known as the Milling Resolution. This resolution (No. 249), which came into force on September 1, 1930, provided that all wheat and rye used in the production of flour must include a certain percentage of Swedish wheat and rye. This percentage, known as the "milling percentage," is fixed periodically by decree and at present stands at 90 per cent for wheat and 98 per cent for rye. This means that of the total amount of wheat or rye consumed by any given mill, 90 and 98 per cent respectively must be of domestic origin, only 10 and 2 per cent being of foreign origin.

It is provided, however, that while the total amount of wheat used must conform to the milling percentage, any given quantity milled may include a smaller percentage of domestic wheat. This smaller percentage, known as the "minimum percentage," at present stands at 80 for wheat. There is no minimum percentage for rye.

The basic resolution states that these percentages must be fixed for each milling period in such a way that Swedish wheat and rye suitable for bread-making may be consumed within the year. In order to ensure the production of

* Under date November 7, the Canadian Trade Commissioner at Oslo advises that this rate was reduced on November 1 to 0·5 kronor per 100 kilos.

average good quality bread, however, the resolution provides that the milling percentage must not be too high for any given milling period.

Between September 1, 1930, and August 31, 1935, the milling percentage for wheat has varied from 50 to 100, while the minimum percentage has ranged between 40 and 85. Since September 1, 1935, these rates have been 90 and 80 respectively.

The regulations outlined above comprise the most important protective measures of the Swedish grain control system. The milling percentages have tended to increase since the regulations came into force, which reflects the increase in the production of domestic bread grains.

CAPACITY OF MILLS

A total of 90 per cent of the Swedish mills producing flour for sale in the open market may be classified as large or of average size. The remainder are of less capacity, and their sales are limited exclusively to the home market. Among the large mills, two have a turnover of about 20 per cent of the total flour sales in Sweden. These belong to the Co-operative Wholesale Society. The others, with 70 per cent of the output, are attached to the Swedish Millers Association, an organization with about the same program as the Millers Mutual Association in England. In the Swedish Millers Association, consisting of sixteen active members, two-thirds of the total sales are controlled by two large concerns. All the large mills are situated on the coast and five average-sized mills are inland.

PRODUCTION OF FLOUR

Production of flour in Sweden has been maintained at a constant level for a number of years, being close to 300,000 metric tons annually for the last decade. Output in 1937 totalled 296,250 tons (91,745,454 kronor) as against 292,293 tons (86,926,585 kronor) in 1936. Figures for 1938 are not available, but it may be assumed that production will not be materially different from that of preceding years.

As exports of flour are relatively negligible, varying from 500 to 1,000 tons, going almost entirely to Norway, local production of flour, together with the small imports, may be considered as representing consumption of wheat flour in Sweden.

IMPORTS OF WHEAT

Imports of wheat into Sweden are subject to customs duties, milling taxes, mixing regulations, and an import licensing system. These restrictive measures are the most important features of the grain control system which has been evolved over a period of years for the protection and support of the Swedish grain-growers.

Imported wheat has been subject to a customs duty since 1888, and in 1895 the duty was fixed at 3.70 kronor per 100 kilos, which is the equivalent of about 26.25 cents per bushel in Canadian currency at the current rate of exchange. Except during the war years, when imports of wheat were free of all duties, and a period between 1920 and 1922 when a sliding scale of duties was in force, the rate of 3.70 kronor per 100 kilos has been in effect.

IMPORT LICENSING SYSTEM

The importation of wheat (also rye or mixtures of wheat or rye or wheaten groats) into Sweden was formerly regulated by the Swedish Government in co-operation with a group of mills known as the Swedish Grain Association. Under contract with the Government, the association had a monopoly of the importation of grain and flour, with the power to delegate its functions to individual millers and importers. In practice the mills bought foreign wheat, and importers bought the foreign flour when importation was possible, but the transactions were controlled by the association.

This arrangement was terminated on September 1, 1935, and was superseded by the present licensing system. A licensing body, known as the Government Board of Agriculture, was established, to which all importers must apply for import permits. These are granted freely when the board is satisfied that the milling regulations are being complied with, but the board has power to withhold licences at any time.

The appended table shows the quantities of wheat imported into Sweden from chief supplying countries during the years 1931 to 1938, with the countries of origin of these imports. From this table it will be noted that in 1933 there was a sharp drop in imports; since then the amount has remained fairly stable. During the past six years, imports have averaged 50,000 tons. For the three years prior to 1933, imports averaged 156,000 tons. Thus there has been an average annual decline of over 100,000 tons as between the two periods.

Imports of Wheat into Sweden

	1931	1932	1933	1934	1935	1936	1937	1938
			Figures in		Metric Tons			
Total.. . . .	122,327	170,775	53,036	45,861	42,602	48,714	50,349	54,350
Denmark	6,107	4,999	2,108	5,821	6,673	92	....	736
Soviet Russia.. . . .	5,521	2,508	....	842	180	....	....	200
Germany	13,492	21,361	3,542	1,748	125	....	....	....
Netherlands	3,037	2,551	727	1,768	3,722	....	....	....
Belgium . . . . .	....	301	....	....	1,831	....	....	....
Great Britain.. . . .	288	2,695	589	1,119	270	....	....	....
British North America. . .	38,838	55,070	19,584	6,295	2,482	35,275	33,290	37,877
United States	52,500	43,984	24,908	27,093	26,819	11,700	7,286	12,635
Argentina.. . . .	2,543	24,242	903	1,095	498	1,646	9,771	2,562
Australia . . . . .	....	11,314	675	....	....	....	....	....

The sharp decline in wheat imports may be attributed to increased domestic production. This increase resulted in surplus production, and, since the price of domestic wheat was being maintained well above world prices, it was necessary to restrict imports to those types required for mixing with the soft Swedish grain.

As the import figures indicate, the United States and Canada have been the principal sources of supply. In fact, the wheat credited to the United States is probably of Canadian origin, since until last year the United States has had no exportable surplus, and in addition, in order to obtain the proper type of flour, a hard wheat such as is produced in Canada is required to mix with the soft wheat produced in Sweden.

Owing to the policy adopted by the Swedish authorities to foster the cultivation of domestic wheat, a point has been reached where production now is greater than consumption, and in the past three years the problem of finding export outlets has been an important one.

EXPORTS OF WHEAT

As mentioned under the heading "Domestic Production of Wheat," wheat crops in Sweden reached a peak level in 1938 and are expected to be still heavier in 1939.

Following record harvests during the years 1932 to 1935, and because grain instead of being used as cattle food was offered to the Grain Association on an increasing scale (due to the system of guaranteed prices), the association had to take over a far larger quantity of cereals than could be sold as flour on the home market. The combined surplus for the years 1932 to 1935 amounted to about 680,000 tons. As there could be no question of storing the surplus except at heavy cost, it had to be disposed of, and this was done partly by denaturing the grain and selling it as cattle food and partly by exporting it at a reduced price. Accordingly, out of the above-mentioned surplus, about 315,000 tons were exported, while 215,000 tons were converted into cattle food, leaving in the hands of the controlling organization at the end of the consumption year 1935-36 a balance of 140,000 tons. The State naturally lost substantially on these sales.

In order to facilitate exports from the large surplus stocks of bread cereals carried over from previous years and thereby help to keep up the price level on the home market, the system of export certificates introduced in 1926 has been reapplied since 1937.

According to these regulations, exporters of Swedish wheat were issued certificates of export stating the amount of wheat they had exported from the country. This certificate, upon presentation to the customs authorities, enabled the exporter to import a like quantity of foreign wheat duty free or to receive in cash an amount equal to the corresponding duty. This regulation has again been amended in the past year so that at present when a shipper exports a certain quantity of Swedish wheat he is only permitted to import duty free half that quantity of foreign wheat.

The revenues from the customs duty on imported bread cereals have been used to make up the additions to the price of exported grain. During the year 1937-38 these additions were limited to about 1.80 krona per 100 kilos, the Government stating that this arrangement might be resorted to as long as the price level did not exceed for wheat (including the wheat duty) 20.50 kronor per 100 kilos during the autumn and 22 kronor during the summer, the corresponding figures for rye being 19.50 kronor and 21 kronor. Since the summer of 1938, on account of low prices on the world market, the export certificates have been redeemed at their full value.

The following table shows the exports of wheat from Sweden according to principal countries of destination for the years 1931 to 1938:—

Swedish Exports of Wheat

	1931	1932	1933	1934	1935	1936	1937	1938
	Figures in Metric Tons							
Total..	298.8	720.4	267	24,047	122,346	91,281	29,383.9	39,105.6
Norway..	34.5	12.8	...	2,462	2,298	3,630	86.9	86.9
Denmark	22.8	15.3	...	14,878	6,146	49,437	262.7	22.5
Finland	23.7	540.0	126	...	2,231	6,085	32.9	90.7
Estonia .. . . . .	...	65.1	28	...	...	2,625	.....	218.4
Latvia	19.5	59.7	87	...	...	9	4,223.1	4,468.4
Germany .. . . . .	...	...	...	3,241	...	...	25,511.8	33,084.7
Netherlands	11.8	7.3	...	3,414	32,797	3,698	7.3	15.1
Great Britain .. . . . .	...	10.1	...	11	77,479	24,956	122.0	316.9
Northern Ireland .. . . . .	...	...	...	...	1,321	...	.....	49.6
Irish Free State.. . . . .	...	...	...	...	...	796	23.9	735.4

As shown in the foregoing table, exports for the past two years, averaging 34,000 tons, are considerably lower than those in the two previous years, which averaged 107,000 tons. This may be accounted for by the large crops in 1933 and 1934 and the accumulated surplus reserves for export in the following years. The decreased exports of the last two years may also be attributed to the necessity of increasing reserve supplies due to the uncertain international situation.

Another feature of interest is that, since Sweden has had an appreciable quantity of wheat for export, over 80 per cent of the exports have been disposed of in one or two markets. In 1935 the United Kingdom took 63 per cent of the total and the Netherlands 26 per cent. In 1936 Denmark took 55 per cent and the United Kingdom 27 per cent. During the past two years, Germany has purchased more than 85 per cent of the total exports. Prior to 1935 the quantity of wheat exported from Sweden has not been important, the other Scandinavian countries taking the greatest proportion of the surplus.

CONSUMPTION OF WHEAT

The following table shows for the years 1930 to 1938, the total quantity of wheat produced in Sweden and imported, as well as Swedish exports of wheat; the difference between exports and the sum of production and imports may be presumed to be the consumption of wheat plus the stocks on hand.

	Imports	Production	Total Figures in Metric Tons	Exports	Consumption
1930	175,785	566,600	742,385	11,159	731,226
1931	122,327	463,573	585,900	299	585,601
1932	170,775	655,223	825,998	720	825,278
1933	53,036	716,796	769,832	266	769,566
1934	45,861	756,783	802,644	24,048	778,596
1935	42,602	642,562	685,164	122,346	562,818
1936	48,714	595,807	644,521	91,280	553,241
1937	50,349	699,990	750,339	29,384	720,955
1938	54,349	821,489	875,838	39,105	836,733

Statistics published in 1938 by the Swedish Grain Association, showing the surplus of wheat available, indicate that consumption has remained fairly steady, the average for the past seven years being 649,637 tons a year. Consumption figures given in the foregoing table show that reserve supplies have been increased, especially in the past year.

Another feature of interest is that, while imports have remained fairly constant over the past six years, exports have varied considerably from year to year, their sum total for this period exceeding imports. In view of the expansion in production and a relatively constant consumption, it may be assumed that Sweden will endeavour to export her surplus wheat to neighbouring countries in exchange for needed commodities. This surplus exceeds her import requirements and may replace them in case of need.

IMPORT TRADE IN FLOUR

The restrictions controlling the importation of flour into Sweden are more severe than those applying to wheat imports. The duty levied against the importation of flour is 6.50 kronor per bag of 100 kilos, or approximately \$1.69 in Canadian currency. There is also an import tax of 4 kronor per 100 kilos, or about \$1.04 in Canadian currency, the proceeds of which are employed to defray the expenses of the grain control system.

According to a decree of June 13, 1930, any person who imports wheat flour into Sweden must, while the flour is still in the custody of the customs authorities, mix flour of Swedish wheat therewith so that the amount of the Swedish flour shall correspond on the average to the milling percentage in force and shall be not less than the prescribed minimum percentage in respect of any part of the consignment. The terms "milling percentage" and "minimum percentage" have been defined in the section of this report dealing with milling of wheat. As applied to flour, the minimum percentage is available for imports over short periods or for special lots, but in such cases importers must take correspondingly less foreign flour for other lots, so that the average corresponds to the milling percentage in force for the milling period.

The Board of Agriculture exercises supervision over the importation of flour as well as wheat, through an import licensing system which has resulted in an almost complete cessation of flour imports, as shown in the following import statistics:—

Imports of Wheat Flour into Sweden

	1930	1931	1932	1933	1934	1935	1936	1937	1938
	Figures in Metric Tons								
Norway	100	22	10	..	..	10	..	..	..
Denmark	511	72	23	..	..	..	1	..	96
Poland	15	..	..	..	..	..	..	..	..
Germany	154	37	52	..	..	..	..	..	..
Netherlands	20	27	20	22	29	84	31	32	33
Great Britain	88	..	..	..	..	..	..	..	..
France	14	..	..	20	25	..	..	..	..
Hungary	128	..	..	..	..	..	..	..	..
Canada	1,625	357	224	59	45	10	50	60	119
United States	9,817	1,412	772	155	51	..	10	..	10
Other countries	6	..	7	3	4	3	..	3	10
Total	12,478	1,927	1,108	259	154	107	92	95	268

As the foregoing table shows, imports which in 1930 amounted to over 12,000 tons have dropped to an average of 140 tons for the past five years. This, as previously stated, is due largely to the regulations by which imported flour must be mixed with Swedish flour in accordance with the mixing percentage prevailing at the time, as well as to the fact that import licences must be obtained. From this it would appear that the restrictions have made conditions unsuitable for the importation of foreign flour. The small imports, as may be noted, come mainly from Canada.

EXPORTS OF WHEAT FLOUR

The following table shows exports of flour from Sweden for the past three years; these exports have been to neighbouring countries only, principally Norway:—

<i>Sweden's Exports of Flour</i>		
	Kilos	Kronor
1936—		
Norway	922,269	180,722
Other countries	4,524	882
Total	926,793	181,604
1937—		
Norway	1,036,740	250,540
Denmark	2,987	690
Iceland	14,955	3,718
Finland	21,363	5,057
Total	1,076,045	260,005
1938—		
Norway	584,971	141,724

The following table shows Swedish imports, production, and exports of wheat flour during the last five years:—

<i>Sweden's Imports, Production, and exports of Flour</i>			
	Imports	Production	Exports
	Figures in Metric Tons		
1934	154	296,479	....
1935	107	300,213	....
1936	92	292,293	926
1937	95	296,250	1,076
1938	268	*	585

* Not available.

As shown in the foregoing table, exports of flour, averaging 816 tons annually for the past three years, exceed imports by a considerable margin, although on the whole they are relatively small in comparison with production. Sweden's milling industry, therefore, just about meets domestic consumption requirements of close to 300,000 tons of flour annually.

GOVERNMENTAL POLICY

Following an acute agricultural crisis in 1930, the tariff protection that the Swedish grain growers had enjoyed for a long time proved inadequate for ensuring the sale of the Swedish wheat and rye crops on the home market. In that year, therefore, milling quota regulations were introduced in accordance with which it was required that a specified percentage of home-grown wheat and rye, fixed according to circumstances, be included in the milling of imported products. These milling regulations also required the addition to imported flour of a corresponding proportion of Swedish flour. A special body, the State Grain Commission, was created to supervise the application of these regulations.

The milling quota has varied according to harvest conditions. It was lowest in June, 1932, at 50 per cent for wheat and 30 per cent for rye, and reached its maximum in the period May, 1934, to August, 1935, at 100 per cent and 98 per cent respectively. In the autumn of 1938 it was 90 per cent for both wheat and rye and now, in the autumn of 1939, it is 90 per cent for wheat and 98 per cent for rye.

As a result of the milling regulations and the imposition of a special import duty, supplemented in the following year by direct control of grain and flour imports, a certain measure of control of the domestic demand for and prices of Swedish bread grain was achieved. But previous experience showed that at times, especially in the autumn when there was a rush of offers, prices might nevertheless drop to a level far too low to be profitable to the farmer. With the object of preventing this, an agreement was made in August, 1930, between the Government and the commercial flour mills whereby the latter undertook at any time during the period September, 1930, to August, 1931, to purchase at certain minimum prices all the Swedish wheat and rye offered them. This agreement was not renewed, but instead a system of government-guaranteed prices was introduced in 1931. The Swedish flour mills combined to form the Swedish Grain Association, and the Government made an agreement with the association whereby the latter undertook, under a government guarantee against loss, to purchase during June-August, at prices fixed by the Government for each year, all the millable Swedish bread cereals that were still unsold on June 1 and were offered to the association. In return for this undertaking the association was allowed certain privileges in the matter of import and milling regulations. The gradual improvement in market conditions led in 1936 to the abandonment of the guaranteed purchases, the milling regulations being, however, retained. The guaranteed purchases were replaced by a subsidy purchase plan, to be operated by the Swedish Grain Company Limited, a state enterprise which succeeded the Grain Association. The domestic prices of cereals were in principle to be determined on the basis of free price-fixing, but subsidy purchases—up to 150,000 tons—would prevent too violent fluctuations and an excessively high or low price level. The Riksdag (Swedish Parliament) of 1936 expressed the opinion that 15·50 kronor for wheat and 14·50 kronor for rye should be regarded as minimum prices during the autumn months, after which, later on in the consumption year, there would be a gradual rise in prices to 17 kronor and 16 kronor respectively in conjunction with accumulating storage charges. During the two succeeding years the prices on which the subsidy purchases were based were gradually raised to 16·50 kronor for wheat and 15·50 kronor for rye. However, owing to the favourable trend of prices that set in about the same time on the world market, the subsidy purchase plan did not have to be put into operation until the autumn of 1938 when prices dropped. The Riksdag of 1936 further resolved that 100,000 tons of the government stocks of cereals as on September 1, 1936, should be retained as an emergency reserve. This quantity corresponds to only about one-sixth of the annual consumption. Besides these reserve stocks, a certain quantity should be kept in hand for adjustment purposes.

The average prices ruling during the past three years were as follows:—

	1936	1937	1938
	Kronor per 100 Kilos		
Spring wheat	18.23	19.67	17.80*
Autumn wheat	17.37	18.87	17.73*

* Average prices.

At time of writing, as the wheat surplus is again large, the Agricultural Commission has proposed that, in view of the good quality of this year's harvest and the uncertainties of the times, the existing reserve supplies of 100,000 tons be increased by the same amount.

IMPORT TRADE OF SWEDEN IN 1938

Items of Interest to Canada

RICHARD GREW, CANADIAN TRADE COMMISSIONER

(One Swedish krona equals approximately \$0.25 Canadian; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds; one cubic metre equals 35.3 cubic feet; one litre equals 1.76 pint.)

Oslo, October 17, 1939.—The following information is supplementary to a general report on the foreign trade of Sweden in 1938, published in *Commercial Intelligence Journal* No. 1852 (July 29, 1939), which was based on preliminary trade returns published by the Swedish Board of Trade. The detailed figures for the calendar year 1938 have recently been issued, and these show imports of individual products by countries of origin.

The total value of imports originating in Canada, as shown by these statistics, increased from 15.6 million kronor in 1937 to 20 million kronor in 1938, the Dominion's share of the total Swedish imports increasing from 0.73 per cent in 1937 to 0.97 per cent in 1938. It should be noted that, while the Swedish statistics use the term "British North America" to cover Canada, Newfoundland, and other British possessions in North America, the bulk of these imports actually originate in Canada.

According to the Swedish trade returns for 1938, the following imports originated in British North America, the 1937 figures being shown within parentheses:—

Live animals, 3,588 kronor (58,981); fresh frozen salmon, 128.3 tons (44); salted salmon, 224 tons (277.4); horsehair, 4 tons (5.3); casings, 151.8 tons (99.6); salted and dried vegetables, 5.2 tons (nil); fresh apples, 13.1 tons (66.5); maize, 6,917.3 tons (nil); fresh frozen halibut, 64 tons (nil); rye, 287.1 tons (171.5); wheat, 37,876.9 tons (33,290.3); wheat flour, 118.8 tons (59.9); blue lucerne seed, 6.6 tons (1.8); miscellaneous seeds, 6.1 tons (nil); soy and other sauces, 107.3 tons (91.4); sugar, 8 tons (10.7); maize flakes, 72.2 tons (13.3); canned fish and shell fish, 346.7 tons (292.6); canned fruit, 2.6 tons (nil); canned vegetables, 3.2 tons (nil); other canned goods, 8.4 tons (6.6); whisky, 849 litres (nil); asbestos, 1,954.9 tons (1,377.9); calcium chloride, 664.9 tons (4,186.2); chemical preparations and plasters, 3 tons (nil); lampblack, 13.9 tons (10.2); mineral dyes, 5.2 tons (5.2); liquid soap and polish, 8.2 tons (8.7); dextrin, 9.1 tons (nil); patent leather, 41.8 tons (24.9); dyed leather, 0.6 ton (2.7); gloves, 23 kilos (nil); furs, 0.3 ton (1.1); rubber sheets and packing, 0.6 ton (1.4); rubber belting, 5.1 tons (6.4); other rubber articles, 1.3 ton (0.4); hewn or sawn timber, 75 cubic metres (107); manufactured wood goods, 4.4 tons (3.9); wallpaper, 3.8 tons (3.1); artificial wool, 0.3 ton (nil); cotton waste, 18.1 tons (22.7); woollen press felt and machine felt, 0.3 ton (2.9); incandescent mantles, 60 kilos (247); silk stockings, 51 kilos (nil); used bags, 6.6 tons (nil); cotton clothing, 0.2 ton (0.2); leather shoes, 0.2 ton (nil); manufactured articles of gold, 2.5 kilos (3.7); iron pipes, 72.3 tons (nil); pipes of other metals, 1.1 ton (nil); iron chains, 6.2 tons (nil); plough earth-turners and ploughshare points, 0.8 ton (nil); plough shares, 9.6 tons (4.7); hay forks and other farm implements, 4.8 tons (3.2); skates, 0.7 ton (0.3); wrought iron castings, 82.7 tons (93.7); copper, 4,587.7 tons (nil); zinc, 609.5 tons (101.5); aluminium, 731.3 tons (nil); nickel, 153 tons (82.1); wire and wire sheeting, 0.9 ton (nil); manufactures of aluminium, 12.9 tons (nil); knitting machine needles, 180 kilos (196); rollers and clod-crushers, 2 tons (nil); ploughs, 51.9 tons (37.6); harrows, 15.1 tons (21.1); harvesters, 10.4 tons (11.3); parts for agricultural machinery, 6.1 tons (2.4); worm gears and cog-wheels, 29 tons (nil); refrigerators and accessories, 42.8 tons (nil); bolting and sifting machines, 0.5 ton (nil); valves and stop-cocks, 0.8 ton (0.9); miscellaneous electric machinery, 118 kilos (71); carbon manufactured for electro-technical purposes, 104 tons (461.8); porcelain insulators, 57.2 tons (247); automobile tires, 613.4 tons (713.5); other automobile accessories, 38 tons (103.7); typewriters, 4.1 tons (nil); cash registers, 0.3 ton (nil); and penholders, 154 kilos (200).

Of the items included in the detailed Swedish statistics, the following have been selected as being of interest to Canadian exporters, the 1937 import figures being shown within parentheses:—

FOODSTUFFS AND AGRICULTURAL PRODUCTS

Live Animals.—Imports into Sweden of live animals, other than horses, cattle, sheep, hogs, and poultry, were valued at 258,913 kronor in 1938 as compared with 461,577 kronor in 1937. The chief suppliers were Norway, which is credited with 99,445 kronor (163,945), Denmark with 52,201 kronor (55,504), and Finland with 30,087 kronor (7,210). The United States' share was 17,145 kronor and that of British North America 3,588 kronor (58,981).

Horsemeat, smoked or salted, was imported to a total weight of 775.4 tons (820.5). The bulk of these imports came from Argentina, which supplied 761.1 tons (775.3), while 12.4 tons (26.8) came from the United States and none from British North America.

Salted Pork.—These imports totalled 1,937.4 tons (1,646.9), of which 904.8 tons (281.1), came from Brazil, 724.7 tons (1,187.9) from Argentina, 170.8 tons (47.6) from the United States, and none from British North America, which, however, supplied 48.7 tons in 1937.

Fresh frozen halibut was imported to an aggregate of 628.6 tons (976.3), of which 431.5 tons (946.9) came from Norway, 99 tons (nil) from Greenland, and 64 tons (nil) from British North America.

Fresh frozen salmon was imported to a total of 564.8 tons (511.9), the largest suppliers being Norway, which contributed 295.2 tons (221.1), and British North America, 128.3 tons (44), while 52.7 tons (95.7) originated in Finland, 33.7 tons (66.2) in Denmark, 17.8 tons (19.2) in Esthonia, 10.6 tons (8.5) in Great Britain, 7.1 tons (12.9) in the Netherlands, 6.6 tons (15.1) in the United States, and 5.9 tons (23.3) in Japan.

Salted Salmon.—These imports increased to 954.7 tons (889.8), the bulk of which was divided between the United States, British North America, and Japan, which shipped 498 tons (403.7), 224 tons (277.4), and 155.9 tons (134.1) respectively.

Horsehair, undressed, was imported to a total weight of 307.7 tons (261.2), the most important supplier being Argentina, which shipped 175.1 tons (170.9), while 27.6 tons (6) originated in Uruguay, 26.5 tons (31.9) in Russia, and 4 tons (5.3) in British North America.

Casings and other miscellaneous animal parts were imported to a total of 2,675.2 tons (3,160.1), of which 932.6 tons (995.2) came from the United States, 236.8 tons (281.3) from the Netherlands, 194.8 tons (323.9) from France, 175.4 tons (479.2) from Argentina, 151.8 tons (99.6) from British North America, 129.1 tons (136) from Great Britain, and 115.2 tons (97.6) from Denmark.

Fresh apples were imported to an aggregate weight of 18,885.8 tons (13,266.2), the chief suppliers being the United States and Australia, which shipped 11,734 tons (6,970.4) and 4,238.9 tons (4,249.9) respectively. British South Africa supplied 843.6 tons (204.7); Argentina, 800.3 tons (704.5); New Zealand, 605 tons (480.4); Italy, 342.9 tons (457.8); Chile, 141.1 tons (82.4); and British North America, 13.1 tons (66.5).

Dried Apples.—These imports increased to 1,649.4 tons (1,238.1), all of which came from the United States. (In 1937 the United States supplied 1,203.5 tons and British North America 34.6 tons.)

Maize was imported to a total of 172,087.6 tons (185,239.2), Argentina being credited with 63,677.7 tons (166,624.8), the United States with 52,144.3 tons (nil); Yugoslavia with 15,523.6 tons (10,293.7), Hungary with 14,929.5 tons (8,125), Netherlands India with 8,118.8 tons (nil); Roumania with 7,455.7 tons (78.6), and British North America with 6,917.3 tons (nil).

Rye imports increased considerably, totalling 7,519.9 tons (2,728.4), the bulk of which came from Russia, which supplied 4,742.1 tons (nil), while Lithuania shipped 1,604.6 tons (nil), the United States, 578.2 tons (111.8), and British North America 287.1 tons (171.5).

Wheat.—Total imports of wheat increased to 54,349 tons (50,349.3), the bulk of which came from British North America, which supplied 37,876.9 tons (33,290.3). The only other suppliers of any importance were the United States and Argentina, which are credited with 12,634.6 tons (7,286.6) and 2,561.6 tons (9,770.7) respectively.

Wheat flour imports increased to 268.4 tons (94.6), the principal supplier being British North America, which shipped 118.8 tons (59.9), while Denmark supplied 96.2 tons (nil), Netherlands 33.1 tons (31.9), and the United States 10.2 tons (nil).

Blue lucerne seed was imported to a total of 67.2 tons (185.5), most of which came from Hungary, which is credited with 58.5 tons (170.9), while British North America supplied 6.6 tons (1.7) and the United States 2.1 tons (nil).

Soy and other sauces were imported to the extent of 184.3 tons (170), of which British North America supplied 107.3 tons (91.4), Great Britain 65.9 tons (65.3), and the United States 5.2 tons (3).

Sugar.—Total imports of sugar of all kinds increased to 11,392 tons (6,484.5), practically all of which came from Cuba, which shipped 11,217.1 tons (6,319.4). British North America supplied 8 tons (10.7).

Maize Flakes.—These imports increased to 258.3 tons (204.9), of which the United States supplied 147.9 tons (147.6) and British North America 72.2 tons (13.3).

Canned fish and crustaceans excluding sardines and anchovies, were imported to the extent of 563.7 tons (491.5), the bulk of which originated in British North America, which shipped 346.7 tons (292.6), while Japan supplied 109.2 tons (113.5), Norway 45.9 tons (27.5), Italy 32 tons (25.5), and the United States 19.9 tons (19.6).

Canned Fruit, excluding Pineapples and Grapefruit.—These imports increased to 812.6 tons (662.9), the bulk of which came from the United States, which was credited with 676 tons (502.7). Chile supplied 61.8 tons (90.8), Great Britain 21.2 tons (20), and British North America 2.6 tons (nil).

Canned Vegetables, excluding Asparagus.—Imports decreased to 84.4 tons (98.3), of which Italy supplied 22.3 tons (25.1); France, 22.2 tons (27); Great Britain, 13.5 tons (10.3); the United States, 5.9 tons (4.3); and British North America, 3.2 tons (nil).

Other canned goods were imported to a total of 325.9 tons (356.2), France supplying 232.6 tons (266.6), Great Britain 37.7 tons (21.4), the United States 19.9 tons (6.5), and British North America 8.4 tons (6.6).

Whisky in bottles entered Sweden to a total amount of 92,279 litres (88,099), practically all of which came from Great Britain, which supplied 91,083 litres (87,970), while 849 litres (nil) came from British North America and 347 litres (nil) from the United States.

RAW MATERIALS AND WHOLLY OR PARTLY MANUFACTURED GOODS

Asbestos.—These imports totalled 5,014 tons (4,784.4). The chief suppliers were British North America, which is credited with 1,954.9 tons (1,377.9), British South Africa with 1,165.2 tons (1,010.2), Russia with 614.3 tons (1,567.7), Finland with 481.8 tons (544.4), Cyprus with 437.9 tons (nil), and the United States with 287.7 tons (249.5).

Bauxite, flint, fluorspar, diatomite, and cryolite are grouped together in the Swedish statistics, the total imports of these products decreasing to 16,675.3 tons (23,748.2). The most important supplier was France, which is credited with 9,579.9 tons (13,238.7), while 3,955.8 tons (2,377.6) came from Denmark, 2,733.7 tons (3,143.2) from Germany, and 287.7 tons (112.6) from the United States.

Gypsum imports totalled 39,016.2 tons (36,327.9), practically all of which 38,850.7 tons (36,143.2), came from Latvia; Germany is credited with 123 tons (170.9).

Miscellaneous ores, other than iron, chromium, copper, sulphur-ore, and magnesite-ore, were imported to a total of 18,367 tons (15,756), the bulk of this trade being credited to Russia, which supplied 13,117 tons (11,430); China shipped 871 tons (1,725); Bolivia, 860 tons (346); the United States, 719 tons (182); British India, 543 tons (254); Portugal, 495 tons (302); Norway, 376 tons (206); Argentina, 325 tons (147); British South Africa, 269 tons (8); and Australia, 225 tons (139). No mention is made of British North America, which shipped 3 tons in 1937.

Calcium Chloride.—These imports decreased to 80,481.2 tons (92,359.4), the most important suppliers being Belgium, which is credited with 48,732.8 tons (55,387.3), Germany with 16,334.3 tons (19,500.6), the United States with 14,692.4 tons (13,275), and British North America with 664.9 tons (4,186.2).

Miscellaneous Chemical Preparations.—These imports amounted to 5,279.9 tons (4,583.8), the principal suppliers being Germany, which is credited with 3,427.8 tons (2,933.8), the United States with 467.7 tons (446.1), and Great Britain with 406.1 tons (899.7); British North America supplied 3 tons (nil).

Drugs were imported to a total of 580.2 tons (442.2), of which 194.1 tons (186.4) came from Germany, 176.5 tons (90) from France, 69.9 tons (31.2) from the United States, 47.4 tons (44.7) from Great Britain, 28 tons (22.4) from Switzerland, and 24 tons (24) from Denmark. No mention is made of British North America, which supplied 3.9 tons in 1937.

Lampblack imports amounted to 1,357.7 tons (1,085.8), most of which, 1,129.4 tons (866.5), came from the United States; 177.6 tons (183.2) came from Germany, 21.1 tons (13.8) from Belgium, and 13.9 tons (10.2) from British North America.

Miscellaneous mineral dyes entered Sweden to an amount of 4,613.4 tons (5,328.8), of which 2,157 tons (2,497) came from Germany, 1,070.2 tons (1,305.6) from France, 617.2 tons (531.4) from Norway, 227.3 tons (242.6) from Belgium, 211.5 tons (371.3) from Great Britain, 162.7 tons (179.4) from Netherlands, 57.2 tons (62.1) from the United States, and 5.2 tons (5.2) from British North America.

Liquid soap and polish were imported to the extent of 1,001.6 tons (988.5), almost half of which came from Germany, which supplied 489.9 tons (459.1), while 200.6 tons (199.1) originated in Great Britain, 159.4 tons (197.1) in the United States, 81.8 tons (64.2) in Switzerland, and 8.2 tons (8.7) in British North America.

Dextrin, etc.—These imports totalled 615.7 tons (754.7), the United States being credited with 221.9 tons (256.3), Germany with 137.4 tons (112.7), Netherlands with 116.1 tons (150.9), Norway with 63.7 tons (133.9), Great Britain with 57.4 tons (74.3), and British North America with 9.1 tons (nil).

Patent leather, in pieces weighing at least 1 kilo each, was imported to a total of 34.7 tons (34.4), the United States supplying 17 tons (13.6), British North America 14.6 tons (16.3), Germany 1.7 ton (2.8), and Great Britain 1 ton (1.5). Patent leather in pieces weighing less than 1 kilo each was imported to an aggregate of 70.5 tons (33.1), the most important suppliers being the United States and British North America, which are credited with 35.7 tons (18.8) and 27.2 tons (8.6) respectively, while 3.5 tons (1.5) came from Germany, 2.7 tons (1) from the Netherlands, and 0.9 ton from Great Britain.

Dyed leather, in pieces weighing at least 1 kilo each, was imported to an aggregate of 110.9 tons (121.7), of which Great Britain supplied 40.5 tons (38.4); Denmark, 24.3 tons (20.2); Germany, 15.4 tons (13.2); the United States, 9.8 tons (9.9); and Finland, 8.3 tons (24.2). The imports of dyed leather, in pieces weighing less than 1 kilo each, totalled 665.8 tons (627.9), Great Britain supplying 255.2 tons (272.5); France, 96.3 tons (62.8); Germany, 96.3 tons (67.3); the United States, 94.4 tons (113.3); Czecho-Slovakia, 32.4 tons (40.3); the Netherlands, 29.6 tons (14.4); Belgium, 26.2 tons (7.9); and Hungary, 16.8 tons (24.2). British North America is credited with 0.6 ton (2.7).

Other Kinds of Leather.—These imports, in pieces weighing at least 1 kilo each, amounted to 13.7 tons (27.2), Great Britain being credited with 4.8 tons (10), Finland with 3.5 tons (4.1), and British India with 2.4 tons (nil). In pieces weighing less than 1 kilo these imports decreased to 212.8 tons (271.9), the bulk of these coming from Great Britain, which is credited with 154.4 tons (189.1). France supplied 24.9 tons (35.6); Czecho-Slovakia, 6.7 tons (9.9); Belgium, 6 tons (3.9); Argentina, 5.5 tons (nil); and the United States, 5.3 tons (15.8).

Leather gloves were imported to a total of 45.4 tons (31.5), of which Czecho-Slovakia supplied 20.1 tons (16.5); France 8.9 tons (3.7); Germany, 4.6 tons (2.8); Finland, 4 tons (4.9); Hungary, 2.3 tons (0.4); Poland, 2 tons (0.5); and Great Britain, 1.5 ton (1.3). The United States shipped 123 kilos (nil) and British North America 23 kilos (nil).

Undressed furs and skins of beaver, chinchilla, and ermine were imported to a total of 1,896 kilos (774), practically all of which came from Finland, which is credited with 1,661 kilos (757), while the United States supplied 97 kilos (nil) and British North America 17 kilos (nil). The imports of other undressed furs and skins, excluding those of sheep, gazelle, goat, and deer, totalled 18.1 tons (26.2), of which 8 tons (15.2) came from the United States, 4.4 tons (nil) from Czecho-Slovakia, 2 tons (1.4) from the Netherlands, 1.5 ton (3.1) from Argentina, and 0.2 ton (1.1) from British North America.

Dressed furs and skins of beaver, chinchilla, and ermine were imported to a total of 263 kilos (212). France supplied 94 kilos (25); Great Britain, 92 kilos (21); Germany, 40 kilos (61); the United States, 17 kilos (nil); and British North America, 7 kilos (nil). Other dressed furs and skins, excluding sheep, gazelle, goat, deer, rabbit and hare, were imported to an aggregate of 22.9 tons (20.6), Russia being credited with 9.5 tons (6.3), Germany with 6 tons (7.9), Great Britain with 2.7 tons (2.9), France with 1.9 ton (1.2), and the United States with 1.5 ton (1); British North America shipped 24 kilos (nil).

Rubber Sheets and Packing, not in Combination with Woven Materials.—These imports decreased to 305.6 tons (439.6), the principal suppliers being Germany with 96.1 tons (120.7), Great Britain with 75 tons (158.5), and the United States with 69.3 tons (86.2). British North America supplied 0.6 ton (1.2).

Rubber Belting.—These imports decreased from 540.7 tons in 1937 to 441.8 tons in 1938, the largest suppliers being Great Britain and the United States, which supplied 151.7 tons (219.7) and 134.3 tons (161). Other sources of supply were: Norway, 53.9 tons (59.3); Finland, 28.5 tons (18.2); Germany, 26.6 tons (16.2); Denmark, 15.8 tons (17.9); Japan, 14.9 tons (27.5); and British North America, 5.1 tons (6.4).

Miscellaneous Rubber Goods.—These imports totalled 338.4 tons (330.8), over half of which is credited to Germany, which supplied 175.4 tons (180.5), while 78.5 tons (59.8) came from the United States, 28.8 tons (41.7) from Great Britain, 14.7 tons (5.9) from Czecho-Slovakia, 12.3 tons (11.5) from Japan, and 1.3 ton (0.4) from British North America.

Hewn or sawn timber of foreign types of wood was imported to the extent of 11,427 cubic metres (12,201), the principal suppliers being the United States with 4,254 cubic metres (5,894) and Siam with 3,031 cubic metres (2,895). The remainder of these imports was divided between a number of countries, of which British North America is credited with 59 cubic metres (107).

Hewn or sawn timber of domestic types of wood, excluding pine and spruce, was imported to a total of 33,371 cubic metres (31,294), of which 25,188 cubic metres (22,862) came from

Poland, 5,174 cubic metres (3,752) from Denmark, 1,470 cubic metres (1,683) from Finland, 842 cubic metres (1,893) from Danzig, and 275 cubic metres (271) from the United States. British North America is credited with 16 cubic metres (nil).

Miscellaneous manufactured wood goods, excluding pine and spruce, were imported to the extent of 351.6 tons (357.3), of which 145.7 tons (148.7) came from Germany, 41.1 tons (37.3) from Denmark, 30.9 tons (35.3) from Finland, 23.7 tons (23) from the United States, 22.8 tons (33.2) from Great Britain, and 4.4 tons (3.9) from British North America.

Pressed wallpaper was imported to the extent of 155.9 tons (151.5), most of which came from Germany, which shipped 116.2 tons (119.4), Great Britain being credited with 12.9 tons (15.1), Belgium with 7.4 tons (nil), Denmark with 5.9 tons (6.6), the United States with 4.9 tons (4.4), the Netherlands with 4.6 tons (nil), and British North America with 3.8 tons (3.1).

Cotton Waste.—These imports totalled 9,176.8 tons (9,139.4), the most important suppliers being the United States with 2,543.4 tons (2,046.3), British India with 2,091 tons (1,180.5), and the Netherlands with 1,040.9 tons (699.3). A number of other countries supplied smaller quantities, British North America being credited with 18.1 tons (22.7).

Woollen Press Felt and Machine Felt.—These imports decreased to 117.3 tons (177.1), Germany supplying 52.4 tons (51.9); Great Britain, 39 tons (54.6); Norway, 16.7 tons (24.8); France, 5.2 tons (3); the United States, 1.8 ton (1.8); and British North America, 0.3 ton (2.9).

Incandescent Mantles of Silk.—These imports decreased to 60 kilos (247), all of which came from British North America.

Silk hosiery imports increased from 13 tons in 1937 to 25 tons in 1938, the bulk of which, 18.9 tons (10.3), came from Germany, while 2.5 tons (2.4) were supplied by the United States, 1.6 ton (0.1) by Czecho-Slovakia, 1.3 ton (38 kilos) by Switzerland, and 51 kilos (nil) by British North America.

Used bags were imported to a total of 4,942.1 tons (4,774.7), the principal suppliers being Great Britain with 3,146.6 tons (3,291.5), Denmark with 1,168 tons (914.7). The United States shipped 80.5 tons (55.5) and British North America 6.6 tons (nil).

Miscellaneous Cotton Clothing.—These imports declined to 97.4 tons (120.1), Czecho-Slovakia supplying 29.4 tons (21.3); Germany, 25.6 tons (6.6); Great Britain, 14.3 tons (12.7); the United States, 9.2 tons (10.3); and Switzerland, 7.9 tons (3.1); while 200 kilos (155) came from British North America.

Leather shoes, weighing less than 750 grams per pair, were imported to the extent of 69.1 tons (52.4), of which 36.5 tons (31.5) came from Czecho-Slovakia, 13.9 tons (3.6) from Hungary, 8.4 tons (7) from Switzerland, 3.7 tons (1.9) from Germany, 1.6 ton (3.1) from Great Britain, 1.4 ton (nil) from Belgium, 0.5 ton (0.3) from the United States, and 0.2 (nil) from British North America.

Rubber footwear, including goloshes, entered Sweden to an increased amount of 79.3 tons (66.4), of which Norway supplied 38.3 tons (43.7); Czecho-Slovakia, 30.4 tons (10.2); Germany, 6.6 tons (5.8); Japan, 1.9 ton (3.1); and the United States, 1.1 ton (1.2).

Manufactured articles of gold were imported to an aggregate weight of 351.1 kilos (33.4), most of which, 287.8 kilos (263.7), came from Germany, 18.8 kilos (21) are credited to Great Britain, 16.4 kilos (18.5) to Czecho-Slovakia, 14.3 kilos (12.3) to the United States, and 2.5 kilos (3.7) to British North America.

Pig-iron imports decreased from 190,115.1 tons in 1937 to 75,680.1 tons in 1938. France contributed 17,304.2 tons (16,955.7); the Netherlands, 15,408.2 tons (44,145.8); Germany, 15,291 tons (31,962.1); Belgium, 14,223.4 tons (9,164.8); and the United States, 3,887.2 tons (26,678.3). No mention is made of British North America, which in 1937 shipped 884.1 tons.

Iron Pipes and Tubes Coated with Zinc.—These imports decreased to 4,263.7 tons (12,446.1), Poland supplying 1,220.5 tons (2,204.1); Denmark, 948.5 tons (290.4); Great Britain, 934 tons (2,431.2); Germany, 668.3 tons (5,107.4); Czecho-Slovakia, 261.8 tons (1,080.2); and British North America, 72.3 tons (nil).

Chains, the iron in the links having a diameter of 6 to 25 millimetres, were imported to the extent of 118.5 tons (112.6), of which 80.8 tons (65.9) came from Czecho-Slovakia, 22.4 tons (14.6) from Germany, and 6.2 tons (nil) from British North America.

Plough Earth-turners and Ploughshare Points.—These imports amounted to 41.8 tons (30.4), Germany supplying 25.4 tons (14.4); the United States, 14.3 tons (14.1); and British North America, 0.8 ton (nil).

Ploughshares were imported to a total of 99.9 tons (101.6), of which the United States supplied 77.5 tons (81.1); British North America, 9.6 tons (4.7); and Germany, 7.1 tons (9.2).

Hay Forks and Other Farming Implements.—These imports decreased to 177·8 tons (248·7), of which 75·2 tons (127·4) originated in Germany, 75·1 tons (92·2) in the United States, 15·4 tons (25) in Denmark, and 4·8 tons (3·2) in British North America.

Skates were imported to a total of 2,243 kilos (1,724). British North America is the only country of supply mentioned, being credited with 746 kilos (303).

Manufactured Wrought Iron Castings.—Imports of these, weighing from 100 to 1,000 kilos each, decreased to 542·7 tons (903·1), Germany being credited with 288·5 tons (653·4), British North America with 77·8 tons (89·9), Denmark with 68·6 tons (22·8), Czecho-Slovakia with 56·4 tons (53·2), and Great Britain with 25·6 tons (25·4). Wrought iron castings, gilded, etc., and weighing less than half a kilogram, were imported to the extent of 516·8 tons (541·2), Germany supplying 329·7 tons (351·4); Great Britain, 79·3 tons (94); the United States, 39·1 tons (34·5); Denmark, 28·2 tons (11·8); Czecho-Slovakia, 10·7 tons (8·4); and British North America, 4·4 tons (3·7).

Copper imports increased to 51,994·7 tons (47,460·8), the chief suppliers being the United States with 24,934·6 tons (19,996·1) and Chile with 20,339·4 tons (22,094·6). British North America shipped 4,587·7 tons (nil) and Belgium 1,295·9 tons (2,831·1).

Zinc imports also increased, totalling 21,749·1 tons (15,935·1), of which Poland supplied 6,490·9 tons (5,147·6); Norway, 5,882·7 tons (4,939·9); Belgium, 4,654·3 tons (2,568·7); Mexico, 2,791·2 tons (1,939·3); the United States, 793·3 tons (446·5); and British North America, 609·5 tons (101·5).

Aluminium imports increased from 2,905·2 tons in 1937 to 4,702·8 tons in 1938, the principal suppliers being Norway with 2,624·2 tons (1,412), Great Britain with 1,140·5 tons (1,288·3), and British North America with 731·3 tons (nil).

Nickel imports increased to 2,596·3 tons (1,854), the chief supplier being Great Britain with 1,558·5 tons (1,100·1). Norway contributed 703 tons (600·2); the United States, 178·7 tons (67·5); and British North America, 153 tons (82·1).

Wire and wire sheeting were imported to the extent of 69 tons (103·8), of which Germany supplied 51·7 tons (78·2); France, 9·5 tons (16·7); Czecho-Slovakia, 3·5 tons (5); and British North America, 0·9 ton (nil).

Miscellaneous manufactures of aluminium were imported to an aggregate of 167·5 tons (155·9), the principal suppliers being Germany with 92·8 tons (89·7), the United States with 24 tons (38), Great Britain with 20·1 tons (10·4), and British North America with 12·9 tons (nil).

Knitting machine needles were imported to the extent of 4·3 tons (4·8), practically all of which came from Germany, which supplied 3·6 tons (4·2), Great Britain being credited with 306 kilos (256) and British North America with 180 kilos (196).

Rolling-mills, Drop-hammers, and Monkey-engines.—These imports decreased considerably, from 1,144·3 tons in 1937 to 443·5 tons in 1938, the bulk of which, 407·8 tons (933·8), came from Germany. No mention is made of British North America, which in 1937 supplied 113·3 tons.

Rollers and clod-crushers were imported to the extent of 65·2 tons (42·4), Switzerland contributing 46·6 tons (27·2), the United States 9·9 tons (11·1), Germany 5·8 tons (2·7), and British North America 2 tons (nil).

Ploughs entered Sweden to an aggregate of 919·9 tons (832·5), 646·7 tons (593) originating in the United States, 176·2 tons (139·5) in France, 51·9 tons (37·6) in British North America, and 20·6 tons (45·2) in Germany.

Harrows were imported to the extent of 136·2 tons (140·7), of which 82·8 tons (81·1) came from the United States, 20·9 tons (24·1) from Finland, and 15·1 tons (21·1) from British North America.

Harvesters were imported to a total of 516·4 tons (699·5), of which Germany supplied 2,667 tons (553·4); Great Britain, 83·2 tons (117·4); France, 79·7 tons (0·8); the United States, 75 tons (16·7); and British North America, 10·4 tons (11·3).

Parts for Agricultural Machinery.—These imports decreased to 422·8 tons (762·1), of which 218·6 tons (489·9) came from France, 114·9 tons (173·4) from Germany, and 65 tons (76·3) from the United States. British North America is credited with 6·1 tons (2·4).

Tractors.—Sweden imported 4,112 tractors in 1938, having a total weight of 6,840·3 tons as compared with 3,507 tractors weighing 5,696·7 tons in 1937, of which the United States supplied 2,529 weighing 4,610·4 tons (1,797 weighing 3,332·5); Great Britain, 1,531 weighing 2,140·7 tons (1,690 weighing 2,344·9 tons); and Germany, 37 weighing 84·8 tons (5 weighing

1,761 tons). No mention is made of British North America, which in 1937 shipped one tractor weighing 1·6 ton.

Rollers and roller cylinders were imported to the extent of 1,217·5 tons (1,827·6), of which 730·8 tons (1,430·1) came from Germany, 366·1 tons (269·1) from Belgium, and 88·5 tons (35·8) from Great Britain. No mention is made of British North America, which in 1937 shipped 53·6 tons.

Wormgears and Cogwheels.—These imports increased to 753·2 tons (576·1), Germany supplying 327·3 tons (262·4); Denmark, 126·3 tons (77·7); the United States, 110·2 tons (94·2); Great Britain, 82·3 tons (69·3); Czecho-Slovakia, 47·3 tons (54·4); and British North America, 29 tons (nil).

Refrigerators and Accessories.—These imports increased to 1,092·1 tons (849·2), the bulk of which, 635·1 tons (516·9), came from the United States. Germany is credited with 208·7 tons (192·9), Denmark with 149·7 tons (87·9), British North America with 42·8 tons (nil), and Great Britain with 23·8 tons (18·6).

Bolting and sifting machines were imported to the extent of 273·9 tons (237·5), most of which, 216·1 tons (178·6), originated in Germany. Great Britain supplied 23·7 tons (21) and British North America 0·5 ton (nil).

Miscellaneous machinery parts were imported to an aggregate of 2,954 tons (3,530·7), Germany being credited with 1,027·9 tons (1,244·3), the United States with 495·7 tons (338·2), Great Britain with 327·7 tons (288·5), Denmark with 319·4 tons (430·9), Czecho-Slovakia with 318·4 tons (434·7), Belgium with 191·6 tons (459·1), Norway with 133·2 tons (149·5), and Switzerland with 102·3 tons (80·7). No mention is made of British North America, which in 1937 supplied 28·9 tons.

Valves and stop-cocks, of metals other than iron, were imported to a total weight of 106·8 tons (156·1), 68·4 tons (117·4) originating in Germany, 16·6 tons (14·9) in the United States, and 8·7 tons (13·2) in Great Britain; 0·8 ton (0·9) came from British North America.

Miscellaneous Electric Machinery.—These imports increased from 289·5 tons in 1937 to 403·8 tons in 1938, the principal supplier being the United States, which shipped 238·6 tons (156·2), while Germany is credited with 127·6 tons (96·3), France with 11·7 tons (8·4), Denmark with 7·1 tons (6·7), Great Britain with 6·5 tons (15·3), and British North America with 118 kilos (71).

Carbon manufactured for electro-technical purposes entered Sweden to a total of 4,497·6 tons (4,543·8), the bulk of these imports originating in Germany and the United States, which shipped 2,639·6 tons (2,714·1) and 1,681 tons (1,299·7) respectively; 104 tons (461·8) came from British North America.

Porcelain insulators were imported to the extent of 572·8 tons (888), of which 306 tons (375·3) came from Germany, 133·4 tons (190·4) from the United States, 57·9 tons (28·3) from Finland, and 57·2 tons (269·7) from British North America.

Automobile Tires.—These imports totalled 3,948·5 tons (3,218), of which the United States supplied 1,690·4 tons (1,342); Great Britain, 746·9 tons (533); British North America, 613·4 tons (713·5); Belgium, 257·2 tons (258·9); Germany, 256·5 tons (162·1); Switzerland, 158·9 tons (18·3); France, 118·7 tons (108·7); Italy, 57·1 tons (61·5); and Czecho-Slovakia, 47·4 tons (7·6).

Other automobile parts, excluding chassis and tops, entering Sweden increased to 21,599·9 tons in 1938 as compared with 16,814·2 tons in 1937. The bulk of these imports originated in the United States, which is credited with 19,721·1 tons (14,614·9), while 938·5 tons (1,174·8) came from Great Britain, 552·2 tons (574·3) from Germany, 188·7 tons (205) from Czecho-Slovakia, 97·5 tons (102·4) from Belgium, 38 tons (103·7) from British North America, 26·6 tons (3·6) from Switzerland, and 13·5 tons (11·3) from France.

Typewriters were imported to a total of 180·6 tons (203·2), the bulk of which, 130·7 tons (160·3) originated in the United States. Germany supplied 41·2 tons (33·9); British North America, 4·1 tons (nil); and Switzerland, 3·3 tons (7·6).

Cash registers were imported to a total of 107·5 tons (108·5), practically all of which came from the United States and Germany, which are credited with 59·7 tons (54·1) and 47·4 tons (54·2) respectively; British North America supplied 0·3 ton (nil).

Penholders.—These imports totalled 31·4 tons (34·6), Germany supplying 17 tons (18); Japan, 5·3 tons (7·1); Great Britain, 3 tons (3·4); the United States, 2·4 tons (2·1); Denmark, 2 tons (2); Czecho-Slovakia, 0·8 ton (0·6); and British North America, 154 kilos (200).

COMMODITY MARKETS OF BRAZIL IN 1938

L. S. GLASS, CANADIAN TRADE COMMISSIONER

(Import figures for 1937 are shown within parentheses)

Rio de Janeiro, October 10, 1939.—Following is a summary of the individual items imported into Brazil during the years 1937 and 1938, with special reference to commodities which Canada is or may be interested in selling to Brazil.

AGRICULTURAL MACHINERY

Seeding machines, ploughs, plough shares and plough parts, threshing machines, and tractors are the only agricultural implements and machinery specified separately in Brazilian statistics. Other agricultural machinery is grouped under the heading "agricultural implements and machinery, general." Imports under this heading increased in value from \$152,469 in 1937 to \$448,361 in 1938. The United States remained in first position, supplying to the value of \$313,900 (\$91,198), followed by Germany with \$62,800 (\$34,277) and Argentina with \$57,800 (\$5,652).

Imports of seeding machines in 1938 were double in value those of 1937, the value of which was more than double that of 1936 imports. The total value of 1938 imports was \$28,193 as against \$14,071 in 1937. The United States with \$18,770 (\$4,866) supplanted Germany with \$8,445 (\$8,589) in first position.

Ploughs, plough shares, and plough parts showed a sharp decrease in value from \$877,892 in 1937 to \$564,219. Germany with \$287,200 (\$260,786) moved from second to first place, displacing the United States with \$242,100 (\$573,308). Argentina occupied third place with \$15,550 (\$10,596). Imports from Canada decreased from \$9,165 in 1937 to \$4,030. Imports of threshing machines continued to increase, being valued at \$52,608 as against \$21,866 in 1937. Of the total the United States supplied to the value of \$51,170 (\$21,351). Imports of tractors increased to \$1,204,000 in value as against \$937,542 in 1937. First position was occupied by the United States with \$939,000 (\$797,733), followed by Germany with \$161,600 (\$108,450) and Argentina with \$72,800 (\$8,924). For the first time Canada appeared among the supplying countries with \$1,530.

Among the suppliers of all items of agricultural machinery to Brazil, Argentina holds a prominent place. As Argentina does not manufacture machinery of this kind, it would appear that these are only re-exports of goods manufactured by other countries, probably including Canada.

ELECTRIC MACHINERY

Imports of electric dynamos, motors, and transformers showed a slight decrease in value from \$3,940,507 in 1937 to \$3,811,465. Germany retained first position with \$1,446,000 (\$1,658,319), followed by the United States with \$1,296,000 (\$1,304,672), Sweden with \$410,000 (\$293,798), and Great Britain with \$271,000 (\$275,635). Imports from Canada increased from \$4,475 in 1937 to \$7,480.

ELECTRIC CABLE

Electric cable imported into Brazil in 1938 was valued at \$914,288, a considerable increase over the 1937 total of \$511,065. The United States occupied first place with \$512,900 (\$44,318), followed by Great Britain with \$226,600 (\$255,697) and Belgium with \$60,800 (\$96,041). Imports from Canada showed a slight increase from \$22,668 in 1937 to \$23,900.

PORCELAIN INSULATORS

Brazilian imports of porcelain insulators rose in value from \$138,178 in 1937 to \$166,015. The United States again led with \$107,000 (\$83,472), followed by Great Britain with \$47,040 (\$10,342), Switzerland with \$15,875 (\$121), and Germany with \$14,050 (\$18,409). Imports from Canada, which in 1937 showed a considerable increase, declined to \$12,310 (\$21,921).

SEWING MACHINES

Imports of sewing machines, which increased steadily during the last four or five years, showed a decrease in value from \$3,823,409 in 1937 to \$2,826,109 and in volume from 3,783 tons to 2,739 tons. Canada, although continuing to be the major supplier, suffered a decrease from \$2,099,619 to \$1,525,000. Germany, showing also a considerable decrease, continued in second place with \$906,700 (\$1,332,720), followed by the United States with \$319,000 (\$274,136), Great Britain with \$42,200 (\$45,829), and Italy with \$21,770 (\$38,330). Small quantities also came from Japan, Czecho-Slovakia, France, Switzerland, Argentina, Holland, and Austria.

RAILS

Imports of steel rails, which had increased considerably in 1937, fell off sharply from 83,849 tons valued at \$4,967,607 in 1937 to 40,329 tons valued at \$2,528,000. The United States with \$954,500 (\$1,245,154) moved from second to first position, Germany with \$477,500 (\$849,895) from third to second place, followed by Poland with \$506,500 (\$739,189); while Belgium moved from first to fourth place with only \$214,600 (\$1,607,536). Other suppliers were: Great Britain, \$192,750 (\$166,975); France, \$101,900 (\$50,461); Argentina, \$77,480 (\$112); and Sweden, \$539 (\$101).

AUTOMOBILES AND TRUCKS

Imports of passenger cars, which increased steadily in the last few years, showed a decrease from 14,353 units valued at \$9,142,845 in 1937 to 11,827 units valued at \$7,952,115. The United States continued to be the most important supplier with 10,205 units valued at \$7,162,000 (12,154 units valued at \$7,862,460). Germany remained in second position with 1,336 units valued at \$936,000 (1,584 units at \$1,120,940), followed by France, 152 units at \$65,200 (84 units at \$55,234); Italy, 106 units at \$56,190 (117 units at \$58,685); Great Britain, 15 units at \$12,250 (15 units at \$13,631); Czecho-Slovakia, 10 units at \$6,400 (nil); and Sweden, 3 units at \$3,572 (1 unit at \$1,225).

Imports of trucks, fully assembled, also decreased from 186 units valued at \$328,651 in 1937 to 174 units valued at \$194,100. Germany, with 81 units valued at \$89,250 (86 units at \$193,978), supplanted the United States with 75 units valued at \$74,190 (98 units at \$133,841). Other suppliers were Great Britain with 3 units valued at \$12,550 (2 units at \$832) and Argentina with 1 unit valued at \$8,840 (nil).

As bodies for trucks and, to a lesser extent, for passenger cars are manufactured in Brazil, there has been an increasing importation of chassis. In 1938, however, there was a decrease from 11,018 units valued at \$6,978,541 in 1937 to 8,908 units at a value of \$5,257,000. Chassis for both trucks and passenger cars are included in these figures, but the greater part of the imports consists of truck chassis. The United States continued to supply almost the entire total of the requirements with shipments amounting to 8,241 units valued at \$4,709,000 (10,503 units at \$6,036,907). Other sources were: Germany, 412 units valued at \$642,100 (369 units at \$647,542); Sweden, 135 units valued at \$227,800 (71 units at \$131,905); Great Britain, 89 units valued at \$128,800

(60 units at \$146,156); and France, 31 units valued at \$47,500 (15 units at \$11,359).

RUBBER MANUFACTURES

Imports of general manufactures of rubber goods, which had declined during recent years, increased from 20 tons valued at \$47,781 in 1937 to 24 tons at a value of \$67,200. Main suppliers were: Germany, \$44,400 (\$24,643); United States, \$13,770 (\$8,671); France, \$2,620 (\$3,398); and Great Britain, \$2,496 (\$7,360). Small quantities were also supplied by Japan, Austria, Czecho-Slovakia, Italy, and Latvia.

Imports of tires decreased slightly from \$2,628,121 in 1937 to \$2,473,000. Canada continued to supply the bulk of the imports, shipping to the value of \$750,000 (\$797,176). The United States was again in second position with \$577,100 (\$628,807) and was followed by Great Britain, \$415,800 (\$495,574); Germany, \$263,100 (\$366,372); Italy, \$162,700 (\$159,199); Java, \$101,400 (\$354); France, \$67,000 (\$24,671); and Belgium, \$64,000 (\$74,955). Argentina, Holland, and Czecho-Slovakia also shipped small quantities.

Imports of inner tubes also decreased from \$187,889 in 1937 to \$184,540. Canada was again the leading supplier with \$51,550 (\$56,946). The United States at \$39,880 (\$35,186) supplanted Great Britain with \$39,250 (\$43,277) in value, although the volume from Great Britain was greater than that from the United States. Germany remained in fourth place, \$25,290 (\$26,688), followed by France, \$10,650 (\$2,890), and Java, \$10,200 (\$9,831). Small shipments were also made by Belgium, Japan, Italy, and the Antilles.

ALUMINIUM

A slight decrease was shown in the value of imports of raw aluminium from \$743,434 in 1937 to \$697,776. France with \$296,200 (\$170,241) continued to be the leading supplier. Argentina occupied second position, \$121,600 (nil), probably re-exports, followed by Great Britain, \$67,790 (\$125,524), and Canada, \$60,350 (\$21,027). Other shippers were: Germany, \$46,750 (\$114,257); Norway, \$29,710 (\$93,937); Belgium, \$25,110 (\$69,470); Czecho-Slovakia, \$22,000 (\$17,156); Switzerland, \$16,500 (\$10,238); Sweden, \$9,020 (\$65,187); Holland and Japan.

COPPER

Imports of copper plates and sheets declined sharply from 6.795 tons valued at \$2,548,145 in 1937 to 3.463 tons valued at \$1,194,536 in 1938. Germany, \$449,000 (\$875,032), supplanted the United States, \$320,000 (\$832,497), in first position. Great Britain, \$177,000 (\$460,894), remained third, while Canada, in spite of a considerable decrease from \$162,186 in 1937 to \$39,640, retained the fourth position. France, \$25,890 (\$64,899), came next, followed by Belgium, \$25,400 (\$63,848); Italy, \$14,570 (\$15,163); Argentina, and Switzerland.

Imports of copper tubes and pipes decreased both in tonnage and value from 469 tons valued at \$340,815 in 1937 to 352 tons valued at \$208,532. Germany continued to be the most important supplier, \$95,121 (\$145,500); followed by the United States, \$51,290 (\$120,102); Great Britain, \$22,400 (\$50,582); Belgium, \$18,490 (\$3,471); and France, \$10,740 (\$14,133). Canadian shipments showed a further increase in quantity from about 5 tons in 1937 to nearly 6 tons, but a decrease in value from \$4,472 to \$3,835. Other suppliers were Argentina, Sweden, Switzerland, Holland, and Austria.

A decrease was also recorded in the case of copper wire, imports of which declined in value from \$64,517 in 1937 to \$51,129 in 1938. Shipments came from Germany, \$28,940 (\$37,293); Sweden, \$6,589 (nil); United States, \$5,502 (\$8,239); France, \$3,120 (\$1,075); and Great Britain, \$2,552 (\$17,090); while Belgium and Austria were credited with small supplies.

Imports of insulated copper wire decreased in quantity from 503 tons in 1937 to 214, although the value declined only slightly from \$234,159 to \$202,168. Germany, \$53,920 (\$66,655), regained the first position, supplanting the United States, \$48,800 (\$85,099). Denmark, \$41,164 (\$9,136), occupied third place, followed by Belgium, \$23,140 (\$28,498), and Canada, \$11,146 (\$7,463). Smaller shipments came from Great Britain, Holland, Italy, Japan, Sweden, Switzerland, and France.

Uninsulated copper wire imports showed a substantial advance from 62 tons valued at \$10,269 in 1937 to 115 tons at a value of \$40,566. The United States continued in first position with \$27,290 (\$4,399); followed by Great Britain, \$5,120 (\$3,928); Germany, \$4,482 (\$1,207); and Belgium, \$3,950 (\$51). Canada, \$170, appeared for the first time as a supplier, and was followed by Switzerland and Sweden.

LEAD

Lead imports decreased from 10,223 tons valued at \$1,346,376 in 1937 to 8,499 tons valued at \$795,533. Canada, although showing a decrease, moved to first position as a supplier, shipping 2,996 tons valued at \$279,000 as against 3,522 tons valued at \$473,917 in 1937. Belgium occupied the second position, 2,954 tons valued at \$262,200 (1,350 tons at \$183,641), followed by the United States, 2,114 tons valued at \$202,800 (4,236 tons at \$528,556), and Great Britain, 346 tons valued at \$30,350 (579 tons at \$86,502). Other suppliers were Germany, France, Holland, Uruguay, Argentina, Denmark, Sweden, and Austria.

ZINC

Zinc imports increased from 1,611 tons valued at \$192,654 in 1937 to 2,348 tons at a value of \$204,848. Belgium, 1,194 tons valued at \$99,400 (336 tons at \$44,111), moved from third to first place, putting Poland, 463 tons at \$41,710 (688 tons at \$73,722), in second. Canada, showing a substantial increase from 152 tons valued at \$15,873 in 1937 to 295 tons at \$25,290, moved from fourth to third place. Shipments from Rhodesia, amounting to 213 tons and valued at \$18,040, appeared for the first time. Germany and France also shipped small quantities.

FURS AND PELTS

Imports of furs and pelts showed a decrease in value from \$1,512,037 in 1937 to \$1,010,548 in 1938. London, Paris and Antwerp, the large distributing centres for furs and pelts, continued to supply the Brazilian market. Belgium was again the leading supplier, \$652,100 (\$897,636), France was second, \$217,800 (\$369,067), and Great Britain third, \$133,600 (\$220,076). Small shipments were also credited to Germany, Spain and Italy.

Brazilian importers are becoming more interested in Canada as a direct source of supply and during 1939 Brazilian buyers visited Canada and made substantial purchases.

TACKS AND NAILS

Imports of tacks and nails declined in value from \$200,507 in 1937 to \$108,101 in 1938. Germany continued to supply the major requirements of the market with shipments valued at \$75,670 (\$113,851); followed by Great Britain, \$9,200 (\$6,153); the United States, \$8,780 (\$7,717); and Czechoslovakia, \$7,880 (\$54,008). Imports from Canada increased in value substantially from \$16 in 1937 to \$1,417 in 1938. Small supplies came also from France, Japan, Norway, Sweden and Portugal.

BARBED WIRE

Barbed wire imports showed a further decrease from a value of \$2,115,460 in 1937 to \$1,816,324 in 1938. Germany continued to dominate the market

with \$845,300 (\$1,296,589). The United States remained in second place, \$712,900 (\$436,996); followed by Belgium, \$230,100 (\$298,394); France, \$26,000 (\$6,223); Holland, \$6,020 (nil); Czecho-Slovakia, \$1,500 (\$3,224), and Argentina and Japan with small quantities.

IRON AND STEEL WIRE

Imports of iron and steel wire showed a sharp decrease from 39,690 tons valued at \$3,627,932 in 1937 to 20,601 tons at a value of \$1,994,553 in 1938. Germany again obtained the largest share of the market, \$1,162,500 (\$1,818,977). The United States remained in second place, \$386,300 (\$696,318); followed by Belgium, \$186,800 (\$494,094); Japan, \$101,800 (\$463,952); France, \$73,550 (\$37,069); Great Britain, \$36,140 (\$57,016); and Poland, \$31,250 (\$34,318). Canada appeared for the first time among the suppliers with a small shipment of about 4 tons valued at \$283. Other suppliers were Holland, Argentina, Sweden, Switzerland and Uruguay.

PAINTS AND VARNISH

Imports of paints decreased in value from \$40,887 in 1937 to \$28,730. The United States was again the main supplier at \$14,640 (\$18,117); followed by Great Britain, \$5,740 (\$7,411); Germany, \$5,100 (\$7,826); and Switzerland, \$1,532 (\$50). Other suppliers were Argentina, Belgium, France, Holland and Japan.

Imports of varnish also declined in value from \$100,361 in 1937 to \$68,494. The United States, in first position, shipped to the value of \$33,410 (\$3,187); followed by Germany, \$15,020 (\$20,990); Great Britain, \$8,500 (\$51); Switzerland, \$5,378 (nil); France, \$2,040 (\$15,310); and Italy, \$1,815 (nil). Japan, Norway, Austria and Czecho-Slovakia shipped small quantities.

COTTON MANUFACTURES

Imports of cotton manufactures of all kinds showed a marked decrease from 367 tons valued at \$764,113 in 1937 to 151 tons valued at \$463,432. Great Britain continued to supply the greater part of the market requirements, shipping to the value of \$116,090 (\$230,961). Sweden, \$76,310 (nil), occupied second position. Next in order were: Germany, \$65,080 (\$118,408); Italy, \$44,600 (\$45,779); Switzerland, \$32,930 (\$154,592); United States, \$24,290 (\$136,301); Czecho-Slovakia, \$20,670 (\$33,872); Belgium, \$8,400 (\$5,198). Other suppliers were Austria, Argentina, Japan, Holland and Poland.

SILK YARN

Silk yarn imports showed a decrease in value from \$1,938,330 in 1937 to \$1,767,964, although imports from Japan rose in value. Japan again occupied first position, \$1,243,000 (\$1,091,741); followed by Italy, \$219,200 (\$367,652); United States, \$206,000 (\$316,878); Switzerland, \$80,170 (\$132,344); and Syria, \$10,150 (\$4,672). Small shipments came also from Germany, France, Great Britain and European Turkey.

LEATHER

In the Brazilian statistics there are only two classifications of leather: kid leather, including chamois; and hides and skins, which includes all other kinds of tanned or otherwise prepared leather.

Hide and skin imports showed a very substantial increase from 12 tons valued at \$74,977 in 1937 to 34 tons valued at \$115,437 in 1938. Great Britain, \$45,450 (\$34,222), was again the leading supplier. Next in order were: Germany, \$37,100 (\$23,535); Argentina, \$12,700 (\$5,909); France, \$12,250 (\$5,472); and the United States, \$3,910 (\$2,075).

Kid leather imports, which showed a considerable increase in 1937, decreased sharply in quantity, from 21 tons in 1937 to 13 tons and in value from \$237,805 to \$116,551. The United States with \$45,700 (\$8,884) supplanted Germany with \$37,500 (\$196,965) in first position. France, \$18,950 (\$21,829), moved from second to third position, followed by Holland, \$9,240 (\$3,819), and Great Britain, \$4,195 (\$5,201).

CORDAGE

Imports of cordage increased in quantity from 16 tons in 1937 to 18 tons but decreased in value from \$17,727 to \$16,884. The market was supplied by the United States, Great Britain and Germany.

CEMENT

Cement imports showed a further decline, both in tonnage and value, from 74,831 tons valued at \$726,565 in 1937 to 49,600 tons valued at \$544,673. Germany continued to supply most of the requirements, \$431,000 (\$551,362); followed by Great Britain, \$53,890 (\$130,171); Denmark, \$30,340 (nil); Belgium, \$19,750 (\$896); Sweden, \$5,030 (\$19,701); and Yugoslavia, \$4,991 (\$6,433). Imports of cement are decreasing every year, due to local production which amounted in 1938 to 620,323 tons as against 571,452 tons in 1937.

COAL AND COKE

Coal imports declined, both in quantity and value, from 1,516,370 tons valued at \$12,773,490 in 1937 to 1,381,523 tons at a value of \$12,723,899. Germany, \$6,768,000 (\$6,652,574), remained in first place, followed by Great Britain, \$4,748,000 (\$4,569,909), and the United States, \$1,030,000 (\$1,061,606).

Imports of coke also decreased from 43 tons valued at \$591,638 in 1937 to 29 tons valued at \$481,526. Germany continued to be the most important supplier with shipments valued at \$339,900 (\$507,382). Great Britain was again in second place, \$117,700 (\$76,498). Belgium, \$25,230 (\$7,648), supplied the remainder.

PAPER AND PULP

Imports of newsprint, which for some years have been steadily increasing, showed a decrease from 59,541 tons valued at \$3,266,304 in 1937 to 42,294 tons valued at \$2,763,136. Sweden continued in first position with 14,153 tons valued at \$892,000 (17,301 tons at \$894,744). Finland moved from third to second place in quantity with 10,471 tons valued at \$578,000 (16,544 tons at \$720,617), although Germany remained in second position in value with 7,468 tons valued at \$652,700 (10,002 tons at \$753,228). Norway with 8,187 tons valued at \$483,000 (6,300 tons at \$293,805) was third in tonnage and fourth in value. Holland, Great Britain, Czecho-Slovakia, Austria, and Belgium were the other suppliers. No shipments were credited to Canada in 1938, although in 1937 Canada occupied fourth place with 7,298 tons valued at \$406,597.

Imports of bond paper showed a further increase in tonnage from 213 tons to 200 tons, but increased slightly in value from \$73,769 to \$73,778. Germany continued to be the most important shipper, \$31,140 (\$26,314); followed by the United States, \$14,060 (\$21,358); Holland, \$10,660 (\$5,707); and Great Britain, \$9,690 (\$10,170). Other suppliers were Austria, Sweden, Japan, Belgium, France, Italy, and Finland.

Imports of other papers increased slightly from 1,664 tons valued at \$314,775 to 1,710 tons valued at \$319,322. Germany supplied the greater part of the requirements with \$133,000 (\$121,710). Next in order were: Holland, \$60,000 (\$95,991); United States, \$36,500 (\$24,247); Finland, \$26,500 (nil); and Great Britain, \$12,500 (\$32,620). Small amounts were imported from Belgium, France, Italy, Japan, Norway, Sweden, Uruguay, Portugal, Austria, and Czecho-Slovakia.

Wood-pulp imports, which have increased during the past few years, likewise decreased from 99,973 tons valued at \$5,415,910 in 1937 to 80,988 tons valued at \$5,355,123. Sweden continued to supply the bulk of the market with 51,478 tons valued at \$3,418,000 (63,690 tons at \$3,395,022). The remainder was supplied by Great Britain, 5,961 tons valued at \$353,900 (5,064 tons at \$258,450); Norway, 5,104 tons at \$335,100 (6,857 tons at \$327,413); Germany, 4,043 tons valued at \$277,000 (7,390 tons at \$415,542); Czecho-Slovakia, 3,590 tons at \$277,800 (5,532 tons at \$337,348); and in smaller amounts by the United States, Finland, Holland, Estonia, Latvia, Austria, France, and Italy. Shipments from Canada, which amounted in 1936 to 2,029 tons, showed a further decrease from 740 tons worth \$56,159 to 541 tons valued at \$39,520.

CHEESE

Imports of cheese decreased in quantity from 184 to 176 tons and in value from \$117,902 to \$116,562. Italy remained chief supplier with \$93,600 (\$93,989); followed by Switzerland, \$12,430 (\$11,180); Portugal, \$3,120 (\$3,649); Great Britain, \$2,610 (\$3,106); France, \$1,929 (\$1,920); Denmark, \$1,872 (\$2,566); and Germany, \$672 (\$1,285).

PRESERVED MILK

Until 1937 Brazilian statistics included all types of preserved milk, including milk powder, condensed and evaporated milk under this heading. In 1938, however, imports of milk in powder were separately classified. These account for the bulk of the imports, being valued at \$69,823. All other kinds were valued at only \$3,211, bringing the total value to \$73,034, which is a decrease from the total of \$95,186 imported in 1937.

The most important suppliers of milk powder were the United States, \$31,480, and Germany, \$22,570. Argentina, Italy, and Great Britain also supplied small quantities. Imports of the other kinds of preserved milk came chiefly from the United States, \$2,270, with small amounts from Great Britain and Argentina.

POTATOES

Imports of table potatoes showed a further decrease from 1,324 tons valued at \$61,827 in 1937 to 724 tons at a value of \$27,747. Holland was again the most important supplier with 408 tons valued at \$15,600 (1,137 tons at \$52,777). The remainder was supplied by Argentina with 220 tons at \$7,540 (nil) and Belgium with 82 tons worth \$3,970 (59 tons at \$3,257). Brazilian production of potatoes increased from 328,877 tons in 1937 to 338,914 tons in 1938.

Imports of seed potatoes decreased from 2,392 tons valued at \$124,282 in 1937 to 1,293 tons valued at \$66,376. Holland continued to be the principal source of supply, shipping 1,054 tons valued at \$50,200 (1,971 tons at \$91,443). Germany with 219 tons valued at \$14,960 (406 tons at \$31,915), Argentina with 18 tons at \$970 (nil), and Estonia with \$56 (\$210) supplied the remainder.

FISH

Codfish continued to be the most important item under this heading imported into Brazil. Imports decreased considerably, both in quantity and value, from 21,080 tons valued at \$3,173,880 in 1937 to 15,347 tons valued at \$2,285,359. The leading suppliers were: Newfoundland, 7,405 tons valued at \$989,000 (10,339 tons at \$1,493,030); Great Britain, 4,576 tons at \$772,800 (6,506 tons at \$1,027,498); Iceland, 2,206 tons at \$330,900 (1,129 tons at \$171,080); and Norway, 593 tons valued at \$103,250 (2,154 tons at \$337,175). Shipments from Canada declined from 723 tons at \$107,732 in 1937 to 484 tons valued at \$67,690. Japan, Portugal, and Denmark shipped smaller quantities.

Imports of canned sardines showed a further decrease in quantity and value from 775 tons valued at \$291,610 to 387 tons valued at \$169,903. Portugal as usual supplied almost the entire requirements of the market, shipping 369 tons at a value of \$162,400 (730 tons at \$273,795). Other suppliers were France with \$2,835 (\$5,173), Norway with \$1,190 (\$1,012), and the United States, Germany, Great Britain, and Morocco with smaller amounts.

Preserved fish imports, which include fresh, smoked and canned salmon, anchovies, smoked herrings, fish oils and pickled fish of various qualities, increased somewhat in volume from 553 tons in 1937 to 682 tons, but decreased in value from \$184,634 to \$180,185. Portugal, \$59,000 (\$67,548) remained in first place. Next were: Argentina, \$28,700 (\$5,113); Japan, \$24,720 (\$46,295); Lithuania, \$16,950 (\$1,207) and Holland, \$10,100 (\$10,164). Smaller shipments came also from Norway, the United States, Great Britain, Spain, Germany, France, Italy, Denmark, European Russia, Sweden, Poland and Latvia.

WHEAT

Imports of wheat increased in quantity from 930,818 tons to 1,037,160 tons but decreased in value from \$41,821,735 to \$30,526,714. These figures indicate that the average price per bushel delivered Brazilian ports during 1938 was 80.3 cents. As usual Argentina supplied almost all of the market requirements, shipping 1,036,961 tons at a value of \$30,410,000 (909,629 tons at \$40,799,638). Uruguay shipped the remaining 199 tons valued at \$7,720 (1,104 tons at \$33,413).

WHEAT FLOUR

Imports of wheat flour increased slightly in quantity from 41,307 tons in 1937 to 42,982, but showed a considerable decline in value from \$2,512,383 to \$1,913,041. On the basis of these figures, the average delivered value per barrel of 196 pounds was \$3.97. Argentina continued to dominate the market, supplying 23,343 tons valued at \$1,042,000 (31,173 tons at \$1,838,907), followed by Uruguay with 15,713 tons at a value of \$591,900 (3,691 tons at \$180,216), and the United States with 3,636 tons valued at \$258,200 (5,846 tons at \$463,433). Shipments from Canada decreased from 591 tons valued at \$29,340 in 1937 to 290 tons worth \$14,600.

MALT

Imports of malt showed a further increase from 15,053 tons valued at \$1,365,813 in 1937 to 16,488 tons at a value of \$1,466,427. Poland, with 4,498 tons valued at \$337,900 (4,005 tons at \$280,829), occupied first position in tonnage and third in value; while Czechoslovakia, with 3,647 tons valued at \$384,100 (3,033 tons at \$321,883), remained in first place in value and was third in volume. Hungary, with 4,075 tons valued at \$369,900 (2,965 tons at \$298,905), occupied second position both in tonnage and value. Other suppliers were: Denmark, \$136,900 (\$115,777); Germany, \$135,600 (\$247,936); and Chile \$80,700 (\$46,378). Shipments from Canada decreased considerably from 575 tons valued at \$48,572 in 1937 to 48 tons valued at \$3,571.

BUSINESS CONDITIONS IN THE DOMINICAN REPUBLIC, JANUARY TO JUNE

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, November 14, 1939.—In the early months of the period under review, the combined results of reduced retail business operations after the strong holiday trade, and the continued low prices of agricultural export products in world markets, adversely affected the economic situation in the Dominican Republic. The winter cacao and coffee crops, while strong factors in the export trade as the result of ready sales, produced little hope for prospective

improvement in future business owing principally to the unsettled and downward trend in the export market. However, since most business firms had adjusted themselves to reduced returns on products sold in foreign countries, the pessimistic attitude apparent during the previous year was not so marked. The unsettled conditions in European countries caused some curtailment in both imports and exports. A reduced number of orders and sales for immediate delivery was made, but comparatively few transactions for future delivery were concluded.

LOCAL PRODUCTION

About the middle of May there occurred a break in the dry weather which had threatened the staple Dominican agricultural crops, so important to the economy of the country. Average rainfall continued throughout June with great benefit to all crops.

Cacao improved during the ripening period, with the result that the crop estimate was revised upward from 325,000 to 350,000 bags of 70 kilograms each. About 8 per cent of this quantity had not been harvested at the end of the half-year.

According to statistics furnished by the Association of Dominican Sugar Producers, 80,502 metric tons of sugar were exported during May. The total sugar production from January 1, 1939, to May 31, 1939, was 403,117 metric tons as against 392,450 during the same period of 1938.

Coffee growers and exporters expected a fairly large crop. It was believed that local production of rice would be sufficient to meet the demand for this commodity for the current year, but in some quarters the opinion was held that production next year might decrease because of the effect of a new tax on rice. The rain which proved so beneficial to other crops arrived too late to benefit the tobacco crop, harvesting of which ended in June. As a result, the tobacco harvest was most disappointing in size and quality.

Added to the apprehension caused by the conditions previously noted, the Cibao and Monte Cristi districts suffered a drought which lasted nine months. The situation existing in these two districts accentuated the need for further irrigation.

CREDITS AND COLLECTIONS

Business houses and banks continued throughout these six months to report a slow liquidation of outstanding obligations.

At the end of June banks reported normal collections on outstanding commercial obligations, with no apparent decline in loans beyond that expected at that time of the year, when business activity naturally declines. The end of the sugar-grinding season in June and the approach of the dull season were marked by the curtailment of wage circulation and a drop in cash purchases. Although apparently meeting their commitments satisfactorily, merchants assumed a conservative attitude which reflected international as well as local conditions. The outlook for sales that might be expected for crops to be harvested in the fall of this year is very uncertain.

Total bank deposits at the end of June, 1939, amounted to \$9,237,206, as compared with \$7,986,658 at the end of June, 1938.

EXPORTS

The unsettled conditions in the Far East and in Europe were being watched with deep interest, since the Dominican Republic's trade with countries in those parts of the world forms a considerable percentage of its foreign trade. Affairs in Europe especially are of vital interest to the republic. Future exports to North European markets will be seriously curtailed until the present hostilities have ceased.

Exports to Europe continued to be affected unfavourably by low prices offered for tobacco, cacao, and coffee, and the feeling of uncertainty about the future combined with continued high insurance rates on shipments to Europe.

Notwithstanding these adverse conditions, official figures indicated that exports increased appreciably during the period under review, although this was due mainly to early-season sales of staple commodities for addition to European war stocks. Exports for the first six months of 1939 were valued at \$13,307,838 as against \$9,895,427 for the same period in 1938. The increase in value was due to a slight increase in sugar prices, an increase in the volume of sugar shipments, and to a record export of cattle and mules to the French West Indies. The excess sugar went mainly to Great Britain. However, this was an artificial movement induced by war fears and the higher figures may give a false idea of enhanced prosperity which in reality has not occurred. These excess early-season shipments will result in correspondingly reduced shipments during the later months of the crop year. From present indications the total values of the year's trading are expected to be below those of 1938.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to October 28, 1939:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to Oct. 28, 1939	
			Quantity	Per Cent
Cattle (700 lbs. or more)Head	225,000	3 to 1½c. per lb.	154,260	68.5
Cattle (less than 200 lbs.)Head	100,000	2½ to 1½c. per lb.	68,614	68.6
				Quota filled Sept. 16, 1939
Whole milkGals.	3,000,000	6½ to 3¼c. per gal.	5 996	0.2
CreamGals.	1,500,000	56½ to 28¾c. per gal.	786	....
Filleted fish, fresh or frozen—cod, haddock, hake, pollock, cusk, and rosefishLbs.	15,000,000	2½ to 1½c. per lb.	8,863,586	59.0
Seed potatoesBus.	1,500,000 beginning Sept. 15, 1939	75 to 60c. per 100 lbs. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	52,322	3.49
White, or Irish, potatoes, other than seed potatoesBus.	1,000,000 beginning Sept. 15, 1939	75 to 60c. per 100 lbs. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	2,140	0.24

Total imports of cattle weighing 700 pounds or more, other than dairy cattle, during the period January 1 to October 28, 1939, amounted to 210,391 head. Of this number, 56,131 head or 24.8 per cent came from countries other than Canada. The 210,931 head imported included 201,986 head dutiable at the reduced rate under the trade agreement and 8,405 head dutiable at the full tariff rate.

During the period October 1 to October 28, 1939, there were 17,338 head imported from Canada, which represented 42.97 per cent of the quota for the fourth quarter of the calendar year. Imports for this period from countries other than Canada totalled 10,160 head, which included 6,663 head dutiable at the reduced rate and 3,497 head dutiable at the full tariff rate.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

The Canadian Trade Commissioner in London writes under date November 16 that three further Import Prohibition Orders have been made by the Board of Trade. (See *Commercial Intelligence Journal* No. 1869: November 25, 1939, page 996.)

PAPER-MAKING MATERIALS

The Import of Goods (Prohibition) (No. 6) Order, 1939, effective from November 20, prohibits the importation, except under licence, of the goods shown in the following list:—

- (1) Pulp.
- (2) Roundwood logs of pine, spruce and aspen in the natural state or free from bark or bast, not hewn or sawn except crosscut at the ends, in lengths not exceeding 50 inches, the top diameter not being more than 12 inches.
- (3) Esparto.
- (4) Ramie, undressed.
- (5) Common reeds (*phragmites communis*).
- (6) Bagasse, being sugar-cane fibre.
- (7) Scrap materials being either—
 - (a) Worn-out articles made wholly or mainly of the following materials, viz: cordage, cable, rope or twine of vegetable fibre; or
 - (b) Waste pieces or worn-out lengths of any of the above-mentioned materials.
- (8) Rags (including discarded collars, fronts and cuffs of flax), not pulled, wholly or partly of flax, hemp, jute, ramie, or hair, but excluding rags wholly or partly of furskin.

The purpose of this order is not to restrict supplies of paper-making materials, but to enable the Paper Controller to arrange purchases of these materials in the most advantageous manner and to put such materials as are available to the best use.

Applications for licences to import any of the goods named in items 1, 2, and 3 above should be submitted by importers direct to the Paper Controller, Ministry of Supply, Great Western Hotel, Reading, who will transmit approved applications to the Import Licensing Department for the issue of licences.

As regards the goods named in items 4 to 8 inclusive, the Board of Trade have issued an Open General Licence, as a result of which these goods may, until further notice, be imported without further licence. Accordingly importers may, for the present, continue to import these goods without obtaining individual licences. Importers are reminded, however, that the importation of cotton and woollen rags is prohibited, except under licence, by the Import of Goods (Prohibition) (No. 1) Order, 1939, and intending importers of these goods must therefore, as hitherto, apply for import licences to the Import Licensing Department.

FLAX

The Import of Goods (Prohibition) (No. 7) Order, 1939, adds flax, including tow or codilla, whether dressed or not, to those goods the importation of which is prohibited except under licence. The order is effective from November 20, 1939. The object in this case also is to facilitate the efficient operation of the Flax Control and not to limit imports.

The procedure is similar to that established in the case of paper-making materials. Applications for licences must be submitted in the first instance to the Flax Controller, Ministry of Supply, Washington Hotel, City Road, Chester, who will pass on approved applications to the Import Licensing Department.

APPLES, PEARS, ETC.

The Import of Goods (Prohibition) (No. 8) Order, 1939, makes provision for certain additions to the list of goods the importation of which is prohibited except under licence. These additions are set out in the following list:—

Vehicles

Motor lorries, omnibuses, fire engines, ambulances and tractors.

Miscellaneous manufactures

* Baskets and basketware, including basket, cane and wicker furniture.

Foodstuffs

† Apples, fresh or raw.

† Pears, fresh or raw.

† Pepper, whether ground or not.

* Apricot and peach kernels.

† Canned or otherwise preserved shellfish (in addition to the oysters, crabs and lobsters which were included in the Import of Goods (Prohibition) (No. 1) Order, 1939).

The order is effective from November 20, 1939, and importers are warned that they should not arrange for consignments of the goods in question until they have either obtained a licence or have ascertained definitely that a licence will be forthcoming.

GOODS IN BOND FOR RE-EXPORT

Importers are also notified that the Import Licensing Department are now prepared to consider applications for import licences for goods imported under bond for re-export, whether they are further processed in the United Kingdom or not, and also for goods on which duty is paid and subsequently recovered on the re-exportation of the goods.

APPAREL AND TEXTILES

It is also announced that, apart from certain minor exceptions, no applications will be entertained, until further notice, for licences to import apparel or other manufactures of cotton, wool, silk, rayon, or linen from any foreign country except France. The exceptions are:—

- (a) Goods for re-export as detailed in the previous paragraph.
- (b) Goods required in connection with Government contracts.
- (c) Silk bolting cloth.
- (d) Habutai silk for A.R.P. purposes and for electrical insulation.
- (e) Braids for electrical insulating sleeving.
- (f) Model goods for copying and not for resale.

ERROR IN WORDING OF HEADINGS

Referring to the notice published in *Commercial Intelligence Journal* No. 1869 (November 25, 1939), pages 995-6, the Canadian Trade Commissioner in London writes that the Board of Trade have issued a statement to the effect that the wording of one of the headings has given rise to misunderstanding. Importers are advised that this heading, which reads "fruit preserved with added sugar, not tinned or bottled," was not intended to cover crystallized, glace, metz or drained.

The Open General Licence has been amended so as to substitute for the previous heading the following words: "fruit preserved with added sugar, other than tinned, bottled, crystallized, glace, metz or drained."

* No licences will be issued for the import of these goods until further notice.

† As regards apples and pears and pepper an Open General Licence has been issued authorizing the importation, until further notice, of these goods if consigned from any part of the British Empire, except Palestine and Transjordan, and such importations can therefore be made, until further notice without individual licences.

‡ The only categories of canned or otherwise preserved shellfish for which applications for import licences can be considered at present are crawfish and crayfish.

The attention of importers is also called to the fact that an error occurred in the same notice. The heading "sweetened pickles, other than chutney," should read "sweetened pickles, sauces and prepared condiments *except* chutney."

TARIFF AND RESTRICTIONS ON IRON AND STEEL

The Canadian Trade Commissioner in London cables that a Government order, effective December 5, adds to the free list of the United Kingdom tariff primary and certain finished iron and steel products. At the same time, the cable states, the Board of Trade announce that the principal iron and steel products and raw materials used in the manufacture of iron and steel, including alloy steel, will very shortly be placed on the list of goods requiring import licences, such licences to be issued by the Iron and Steel Control.

Australia

IMPORT LICENSING REGULATIONS OF DECEMBER 1, 1939

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, cables: "All imports into Australia with minor exceptions subject to licence December 1. Imports are divided into four categories: (A) very important, (B) important, (C) less important, (D) unimportant. Licences for the first three categories will be based on the Australian fiscal year ending June 30, 1939, the first licensing period ending January 31, 1940. Consequently between December 1 and January 31, 1940, imports of goods in categories (A), (B), and (C) will be admitted under licence on the basis of one-sixth of total imports of the same items for the whole of the last Australian fiscal year. Category (D) goods are entirely prohibited from non-sterling countries including Canada, Newfoundland and Hongkong in the British Empire. Class (D) goods in transit or on order prior to December 1 will be admitted subject to approval. On order means goods for which overseas credit was established prior to December 1. Consideration will be given similar orders cash against documents if quantities not abnormal."

PURPOSE OF RESTRICTIONS

The object of these regulations, it was announced in a statement issued by the Australian Trade Commissioner in New York, is: (1) to ensure that foreign exchange sold ostensibly for imports is actually used for that purpose; (2) to ensure that available supplies of foreign exchange are utilized to the best advantage; (3) to prevent unnecessary stocking up of consumer goods and the absorption of foreign currencies by unimportant goods to the detriment of national requirements in vital commodities; (4) to enable priority in shipping space to be given to vital imports should a shortage of shipping space develop on any route.

For administrative purposes, it was stated, all imported goods have been graded in accordance with degrees of importance into categories (A), (B), (C), and (D). Licences will be issued to individual importers during the first two months for particular commodities which have been graded into categories (A), (B), and (C) on the basis of one-sixth value of imports of such commodities during the fiscal year 1938-39.

The statement went on to say that this is an initial measure and further commodities are being examined with a view to progressive intensification of restrictions. Alternative sources of supply which will not involve foreign exchange and utilization of substitutes were being examined.

DETAILS OF ADMINISTRATION

A circular issued by Mr. W. L. Brennan, Australian Customs Representative in New York, states: "For the present, the licensing regulations shall not apply

to: (a) goods imported from any part of the British Empire excepting Canada, Newfoundland, and Hongkong; (b) goods imported from any country administered under a British mandate; (c) goods imported from Egypt and Sudan.

"Licences will be granted to individual importers during the first two months of the licensing period on the basis of one-sixth of the total value of imports of particular commodities during the 12 months ending June 30, 1939, for goods under categories A, B, and C. Licences will not be granted in respect of goods graded in category D unless very special reasons exist.

"The position in regard to goods in transit or on order is: (a) Goods which are in transit on December 1 will be exempt from the provisions of the licensing regulations, provided the importation is effected by February 29, 1940; (b) goods on order for which drafts have been drawn and letter of credit established prior to December 1, 1939, by banks operating in Australia will be admitted under licence, irrespective of category classification, provided the Australian importer produces a certificate from the bank concerned that the goods were so purchased; (c) goods on order not covered by the preceding two subparagraphs: (i) licence will not be granted if the goods are listed in category D; (ii) if the goods are listed in categories A, B, or C, and the values are not appreciably in excess of one-sixth of the value of the Australian importer's total importations of the same goods during the year ended June 30, 1939, licences will be granted; (d) if the goods are not covered by the principles outlined above, the case will be considered on representations of the Australian importer."

CATEGORY "D"—IMPORTATION PROHIBITED

Commodities of interest to Canadian exporters that have been placed in category D, and are consequently prohibited from being imported into Australia from Canada or any other non-sterling country, include the following list, which is not exhaustive. Exporters desiring information regarding articles not listed should inquire of the Department of Trade and Commerce, Ottawa.

Beverages and Spirits.—Ale, beer, porter, cider, perry, spirituous or non-spirituous; spirits and spirituous liquors; brandy; bottled whisky; gin; rum; collodion; bay rum; fruit juices and syrups; table waters; tobacco.

Sugar.—Sugar; glucose; golden and sugar syrups; molasses.

Agricultural Products and Groceries.—Animals except for stud purposes; bacon and hams; biscuits; laundry blue; butter and substitutes; cheese; candles; coffee; cocoa and chocolate; confectionery; eggs; potted or concentrated fish; crustaceans; dried fruits; asparagus tips; petits pois and mushrooms; wheat; barley; maize; peas; oats; bran; wheat flour; cornflour; hay; honey; jams; jellies; jelly crystals and powders; isinglass packed for household use; lard and edible fats; oilcake; linseed cake and meal; macaroni; vermicelli; malt; malt extract; matches of all kinds; meats; poultry; game; soup; preserved, condensed, dried, powdered or malted milk; onions; pickles; sauces; potatoes; salt; soap; ground spices; straw; vegetables; beeswax; stearine.

Textiles.—Piece-goods, cotton, woollen, or waterproofed; leather cloth; oil baize; apparel; wool and fur felt hats; umbrellas; blankets; roof and floor coverings; paper towels; articles of felt; tents and sails.

Metals and Machinery.—Iron in pigs, ingots, angles, rods, tees, bars exceeding $\frac{1}{4}$ -inch thick; wire other than 15 gauge or finer; hoop iron; type metal; brass; lead sheet and piping; scrap iron; zinc in bars, blocks, scrap; iron and steel sheet, corrugated and/or galvanized; boiler tubes; wrought iron pipes not over 6 inches diameter; cast iron pipe fittings less than 2 inches internal diameter; steel, wrought iron or malleable cast iron pipe fittings; cast iron pipes (except soil and rain-water) 2 to 6 inches internal diameter; railway material; iron beams, channels, joists, girders, columns; trough and bridge iron; shafting except flexible; barbed wire; wire netting; iron wire for manufacture of barbed wire or netting; garden and field rollers; horse road rollers and machines; road scoops and scrapers; scoops; lawnmowers; chaff cutters; corn shellers; corn huskers; cultivators; harrows; ploughs; plough shares and mouldboards; scarifiers; churns; cheese presses; stripper harvesters; strippers; horse hay rakes; clothes washing machines for household use, electrically or power driven; ironing machines; refrigerators and parts; metal split pulleys; petrol pumps; portable steam engines; piston pins and valves for internal combustion engines; electric stoves, ranges, ovens, cookers, grillers, and the like, and elements therefor; electric radiators, toasters, kettles, and elements therefor; electric fans of household and

office types and other propeller type fans; handset telephones; telephone and telegraph equipment (as specified); consumers' gas meters; electroliers, chandeliers, pendants, brackets; wireless receivers and parts and accessories; storage batteries and parts; sparking plugs; dry batteries and cells; electric wall, stand, and table lamps; electrical fittings (as specified); watt-hour meters (as specified); copper wire and strip; rail dogs and spikes; wire and other nails; staples; tacks; arms and ammunition; soldering irons; electric smoothing irons; plated-ware; machine belt fasteners; hand fire extinguishers; enamelledware; glass shades and reflectors; incandescent mantles; hinges and flywire; enamelled stoves and baths; locks; kitchenware; socket bolts; zipp fasteners; shovels and steel shovel blanks; steel tubular poles; metal sashes and frames; printers' type; metal wool; empty tanks; picks, mattocks, hooks and slashers; rabbit and mouse traps; empty collapsible tubes.

Oils, Paints, Varnishes.—Blackings, dressings and polishes for furniture or metal; tallow; driers for paints; putty; kalsomine in powder form; paints and colours ground in liquid; paints prepared for use; enamels; varnishes; damp wall compositions; liquid paint removers.

Earthenware, Cement, Glass.—Portland cement; gypsum; fire bricks; electrical insulating sheets of asbestos and cement; sanitary articles of earthenware; hoodlights for motor cars; lenses for spectacles (except bifocal); glassware; crown corks; dry glue; casein; printing roller composition.

Drugs and Chemicals.—Pyroligneous acid, acetic acid and vinegar and solutions; carbide of calcium; yeast foods; alum, alum cake, sulphate of alumina; hydrogen peroxide; acetylsalicylic acid tablets; perfumery; toilet preparations.

Wood, Wicker and Cane.—Plywood, laths; shingles; doors of wood; plywood door panels of redwood and Douglas fir; shooks; broom stocks being square timber rough sawn; woodenware for vehicles; axe, adze, mattock, and pick handles; hammer handles over 24 inches; wood wool; clothes pegs; oars; furniture of wood.

Jewellery and Fancy Goods.—Toilet combs; fishing appliances; tennis racquets and balls; jewellery; clocks wholly or partly of wood; gramophone records; kinematographs including arc lamps for projection purposes; spectacle cases (except gold or silver).

Hides, Leather and Rubber.—Patent and enamelled leather; harness; razor strops; goloshes, rubber boots and shoes; boots, shoes, slippers and other footwear; compounded rubber; floor coverings and mats of rubber; rubber hose up to and including 1 inch internal diameter; rubber gloves; hot water bags; pneumatic rubber tires and tubes therefor, valved or unvalved.

Paper and Stationery.—Cellulose transparent paper; paper bags; gummed paper; stencil and carbon paper; corrugated strawboard; playing cards; parchment paper; printed containers; calendars; labels; advertising posters; account and similar books; matrices for stereotyping; inks.

Vehicles.—Brake and transmission linings; bicycles, tricycles, and frames therefor; side cars; perambulators and go-carts; wheels and other parts of railway or tramway vehicles; parts of motor vehicles, viz.: bodies, assembled chassis, wind screens, shackle bolts pins and assemblies, spring hangers, king pins, tie-rod pins, tie-rod-ball pins, tie-rod-ball studs, handles for doors, window regulators, devices for fastening doors, wind screen wipers, U-bolts; springs for chassis (except coil springs); bumper bars; air brakes for trolley buses.

Miscellaneous.—Pianos and parts; asbestos cloth, cord, pipe and boiler coverings; mineral wool; hand bags and purses (except metal); trunks; toilet cases; fancy boxes; brooms and mops; carpet sweepers; household electric vacuum cleaners; hair, tooth, scrubbing, and paint brushes; magic lanterns; coke; rope, cordage and twines (as specified); binder twine; cotton hemp and flax yarns; cartridges and cartridge cases; fuse; household filters; wall and ceiling parts and decorations; fluorspar; wool and wool tops; coal; pig lead; copper matte.

New Zealand

IMPORT LICENSING FOR FIRST HALF OF 1940

Continuing the information in *Commercial Intelligence Journal* No. 1865 (October 28), pages 801-3, concerning New Zealand import licensing regulations for the first half of 1940, a report from the Canadian Trade Commissioner in Auckland contains the information that articles for which import licences will be issued up to the amount of similar goods imported from the same country during the corresponding period of 1938, include:—

Elastics of all kinds and webbing; hat hoods, felt of wool or fur, unblocked and unsewn; leather cloth and oil baize in the piece; wadding; knitting pins, needles, crochet hooks, hooks and eyes for apparel; woven or knitted silk and artificial silk piece-goods; moquette and tapestry of wool; belting and belting for driving machinery, excluding that made of leather; nails peculiar to boot-making; solid rubber tires; celluloid in sheets or rolls unprinted; emery paper and cloth, glass paper; buckles of metal; metal chains; builders'

and cabinet-makers' hardware; lucerne seed; medicated confectionery; glucose, grape-sugar and caramel; acetic acid, acetic anhydride; dextrine; drugs and chemicals; synthetic essences; medicinal preparations; saccharine; hat hoods, woven, of straw, hemp, etc., unblocked but unsewn; oiled silk in the piece; upholsterers' materials; yarns of cotton, silk, artificial silk; children's footwear, sizes 0 to 9 inclusive; patent leather; boot protectors; marble and granite in the rough; cigarette papers; gramophone needles; records for gramophones; band instruments; filter paper; paper pulp for the manufacture of paper; carton paper; chain belting; cartridge cases; fish hooks, unmounted; parts of cultivators, harrows, ploughs, drills, sowers, seed and grain cleaners; engines for cycles; engines for tractors; engines for aeroplanes; engine and turbine governors; carbons for arc lamp and electric furnaces; sparking plugs for oil engines; cast-iron boilers or furnaces and radiators for central heating including equipment therefor; blind rollers; clothes wringers; metals, crude; metals in bars or rods; iron in sheet, plate, or hoop; corrugated sheet iron; plain shafting; nails and tacks of copper, brass; coopers' hooks and tacks; dog spikes and deck spikes; staples excepting fencing; metal propelling screws; saddlers' ironmongery; boiler furnaces, welded and flanged; expansion rings for boilers; wire netting, metal woven wire, metal gauze, expanded metal lathing and fencing; air pressure brakes for vehicles; unfinished fittings and parts for bicycles, tricycles and motor cycles; bicycles unassembled; railway and tramway cars, wagons and trucks; axles, axle arms and boxes, except for motor vehicles; chassis for electrically-propelled motor vehicles; graphite and plumbago in powder or flake form; skip greases; grinding compounds; lubricating greases; oils in vessels of a gallon or more; white lead ground in oil; unspecified paints and colours, dry; barytes; wooden handles for tools (except broom, hoe and similar); oars and sculls; veneers and plywood; handles for shaving or tooth brushes; brushes suited for dentists' use; sash cord; engine packing; sporting and blasting powder.

Imports of interest to Canada, in respect of which *no basic allocation* is being made but applications will be considered individually, include:—

Wheat; onions; tinned peas; unspecified vegetables, dried or preserved; fruit juices, sweetened or unsweetened; fresh and dried apples; fresh fruit; fruits preserved in juice or syrup; jams, jellies, marmalade and preserves; cardboard, pasteboard, wood-pulp board, large sizes; electric motors; battery containers; metal poles or towers for transmission lines; insulated cable and wire; power-driven spray pumps; tractor engines and tractors, portable steam engines, road rollers; rock and diamond drills; blowers and fans; industrial sewing-machines and parts; steel shapes; plain metal wire and barbed fencing wire; metal cordage; road graders; flying machines; logs; rough sawn timber; unspecified stoppers for bottles; unspecified roofing materials; seeds, grass and clover.

Additional imports from Canada which *will be reduced by indicated percentages* stated hereunder from the amounts of such imports during the first half of 1938:—

Felt piece-goods, excluding carpeting felt, 50 per cent; moquettes, tapestries, tickings of cotton, 50 per cent; gumboots, 50 per cent; rubber solution and cements, 50 per cent; wrapping paper, large sizes, 50 per cent; unspecified paper in sheets not less than 20 inches by 15 inches, 50 per cent; ball and roller bearings, 50 per cent; castors for furniture, 50 per cent; brake lining in the piece, 50 per cent; colloidal sulphur, 50 per cent; belts and belting of leather, 50 per cent; printed books, papers, music matter, 50 per cent; unspecified agricultural implements, 50 per cent; bicycles and tricycles, 55 per cent; precious stones, cut or uncut, unmounted, 75 per cent; engines for use in motor vehicles, 40 per cent.

The following goods (in addition to the list already published) imported from Canada *will be reduced 100 per cent* from the amounts of such imports during the first half of 1938:—

Mineral and aerated waters; chocolate and cocoa, cocoa or chocolate mixed with milk or other food substances; bacon and hams; biscuits; candles; chewing gum; confectionery (except medicated); fish of all kinds, fresh or preserved in any manner; honey; concentrated jellies; macaroni, vermicelli, or spaghetti; potted or preserved meats; preserved, evaporated or dried milk or cream; desiccated coconut; matches and vestas; pickles; sauces and chutney; soy and ketchup in vessels exceeding 10 gallons capacity; confectioners' moulding starch, potato starch, rice flour and corn flour; soups, spaghetti and similar alimentary pastes cooked; custard powder, egg powder, blanc mange powder; starch; cigars, cigarettes, manufactured tobacco; beer, ale, cider, and spirits; wines of all kinds; vinegar; sulphuric acid; baking powder and yeast; culinary and flavouring essences; insecticides and fungicides for agricultural use; renet; apparel, clothing and hosiery; textile or felt bags and sacks; shoe laces other than of leather; carpets, linoleums and similar floor coverings; millinery of all kinds except hat hoods, woven, of straw, hemp, etc., unblocked but unsewn, and hat hoods, felt, of wool or fur unblocked and unsewn; tarpaulins, tents, sails; umbrellas, parasols, sunshades; slippers, boots and shoes (excluding children's boots and shoes sizes 0 to 9 inclusive, canvas shoes with rubber soles and goloshes); rubber heels and soles; rubber

water beds and cushions, ice bags and caps, air beds, air cushions, urinals; rubber, canvas, hose and tubing; chamois leather; sole leather; leather laces, vamps, uppers, leather cut up into shapes, leggings; saddlery and harness; glass bottles and jars; bricks; refractory materials, roofing tiles and slates, roofing sheets of cement and asbestos; plaster pulp sheets, plaster board; cement; earthenware pipes and tiles; sanitary earthenware; plaster of paris; marble and granite, rough sawn; camera covers and cases; playing cards; cigarette papers; plated cutlery and jewellery; magic lanterns, cinematographs; mouldings for picture frames or furniture; pianos, organs; phonographs; paintings and pictures; slides for magic lanterns; tobacco pipes, pouches and cases; cigar and cigarette cases and holders; cardboard boxes; cardboard, pasteboard, wood-pulp board, small sizes; paper envelopes and bags; celluloid bags and envelopes; hand bills, circulars, catalogues, price lists; ink; crayons of all kinds; carpet felt and paper felt; paper for the manufacture of cartridges; waxed paper; wrapping paper, small sizes; show cards and calendars all kinds; stationery; firearms; cartridges; rubber washers; iron culverts; hand chemical fire extinguishers; galvanized iron manufactures; lawnmowers; cultivators, harrows, ploughs, drills, seed and fertilizer sowers and distributors, seed and grain cleaners excluding spare parts, hay rakes not hand, hay, straw presses and chaff cutters excluding spare parts; rubber milking-machine parts; pasteurizers, milk coolers, milking machines and churns; transformers for wireless sets; electrodes for electric welding; incandescent filament electric lamp bulbs; electric lamps; radio sets whether mounted in cabinets or not; electric irons; gas heating and gas cooking appliances; vacuum cleaners; sewing-machines other than industrial; valves, cocks and similar articles of brass or other copper alloy; weighing machines, scales and balances; electric cooking and electric heating appliances; concrete mixers; cast iron pipes; pumps for vending petrol; porcelain enamelled cast iron baths; fencing staples; nails and tacks exceeding 1 inch in length of iron; lead-headed nails; metal window sashes and frames; motor cycles; stove, boot, metal, furniture, floor polishes and leather dressing; vehicles other than motor vehicles; paints or colours ground in liquid, mixed paints, enamelled paints, thinners, dryers, varnishes, paint removers, putty; basket and wickerware; timber, sawn, dressed; wooden furniture, doors and sashes; broom, rake, and similar handles; boats, launches, yachts; carpet-sweepers and floor-polishers; brushware excluding brushes especially suited for dentists' use; cements and adhesives put up for household use; mucilage in packages less than 1 gallon; crown seals; gelatine, glue, size; cordage, rope and twine other than sash cord.

Exporters wishing to obtain information regarding the treatment accorded any other specific commodity, or regarding the treatment of imports from countries other than Canada, may obtain it by writing to the Department of Trade and Commerce, Ottawa.

DEFERRED DUTIES

Deferred changes of rates of duty under three items of the New Zealand customs tariff that were to have become effective on November 1, 1939, have been further postponed until November 1, 1940. The items affected are:—

Item 360.—Nails or tacks exceeding 1 inch in length made from iron wire, whether plain, galvanized, or cement-coated, n.e.i. Present rates £2 per ton (2,240 pounds) under the British preferential tariff, £4 per ton under the general tariff; rates deferred to November 1, 1940, free of duty under the British preferential tariff, £4 per ton under the general tariff.

Item 361.—Nails, lead-headed, and galvanized cup-headed roofing nails. Present rates 20 per cent ad valorem under the British preferential tariff, 40 per cent ad valorem under the general tariff; rates deferred to November 1, 1940, free of duty under the British preferential tariff, 40 per cent ad valorem under the general tariff.

Item 397-1.—White-lead ground in oil. Present rates 6s. per cwt. (112 pounds) under the British preferential tariff, 9s. per cwt. under the general tariff; rates deferred to November 1, 1940, free of duty under the British preferential tariff, 9s. per cwt. under the general tariff.

Under all three items the British preferential rates (plus surtax of $22\frac{1}{2}$ per cent of duty) are applicable to Canadian goods. The general tariff applies to goods from all countries outside the British Empire and is increased by a surtax of $22\frac{1}{2}$ per cent of the duty except as regards imports from fifteen specified "most-favoured" countries under Item 360 only.

Trinidad

NOTICE AFFECTING IMPORT LICENCES

With reference to the article in *Commercial Intelligence Journal* No. 1867 (November 11, 1939), page 884, concerning the licensing of imports, the *Trinidad Gazette* of November 14 announced that no import licence for the

following goods will be granted from foreign countries, Canada, Newfoundland, Hongkong and the Sudan, except those marked with an asterisk, which may be imported under licence from the countries indicated:—

Cameras	Musical instruments
*Canned fruit (Canada)	Nuts
*Canned vegetables (Canada)	Perfumes
Cigars	Pickles
*Confectionery (Canada)	Prepared coffee
*Jams (Canada)	*Stationery (not paper) (Canada)
Liqueurs and cordials	Table water (other than medicinal)
*Motorcars and trucks (Canada)	*Wine (France)

The notice adds: "Apart from the above list, goods may only be imported from foreign countries under licence, when the Competent Authority is satisfied they are essential, and are not available from Empire sources with favourable exchange. Appropriate certificates from His Majesty's and Canadian Trade Commissioners in this respect would facilitate the work of granting permits."

Barbados

IMPORT LICENSING AND RESTRICTIONS

An order of November 14 made under the Barbados Exports and Imports Restriction Act, 1939, to ensure the conservation for essential purposes of sterling and non-sterling exchange contains two schedules of goods.

Schedule A contains a list of some 78 items of a wide variety of merchandise which are to be allowed entry only from the United Kingdom or other Empire countries whose currency is based on sterling.

Schedule B consists of a list of some 53 items which may be imported under licence from Canada, Newfoundland, Hongkong, or the Sudan, or foreign countries. This list contains most of the foodstuffs usually obtained from Canada as well as other essentials.

The order also states that there are at present no restrictions of any kind on the importation of goods not mentioned in either schedule.

Virgin Islands

TARIFF AMENDMENTS

An Ordinance of the Virgin Islands (B.W.I.) dated October 26, 1939, amends the tariff on the following items:—

	Former Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Unspecified boots and shoes ad val.	10%	20%	6%	12%
Wheaten flour in packages of 50 lbs. and over per 196 lbs.	3s.	5s.	2s. 8d.	4s.
Wheaten flour in packages of less than 50 lbs. per lb.	$\frac{1}{2}$ d.	$\frac{3}{4}$ d.	$\frac{1}{4}$ d.	$\frac{1}{2}$ d.
Maize or cornmeal in packages of less than 50 lbs. per lb.	$\frac{1}{2}$ d.	$\frac{3}{4}$ d.	$\frac{1}{4}$ d.	$\frac{1}{2}$ d.
Leaf tobacco per lb.	2d.	3d.	3d.	3d.

In addition to the duty the Virgin Islands imposes a surtax of 2 per cent of the duty.

The British preferential tariff applies to Canada and other parts of the British Empire. The general tariff applies to all countries outside the British Empire.

Grenada

IMPORTS FROM ALL COUNTRIES SUBJECT TO LICENCE

With reference to the announcement in *Commercial Intelligence Journal* No. 1868 (November 18, 1939), page 945, concerning the licensing of imports into Grenada from Canada, Newfoundland, or a foreign country, a proclama-

tion of the Governor of Grenada dated October 30 cancels the previous licensing system and prescribes: "The importation into the colony of all goods (which term includes all goods, wares, merchandise and materials of whatsoever nature or kind, and live stock) capable of being imported is prohibited except under licence from the competent authority."

Under the new regulations the competent authority may refuse any licence applied for, or may in granting a licence impose such conditions, restrictions, and limitations as he shall consider necessary.

Netherlands

ABOLITION OF SOME IMPORT RESTRICTIONS

Writing under date of November 15, 1939, Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, states that by a royal decree of November 11, 1939, the restrictions on the importation into the Netherlands of the following commodities have been abolished: leather; unrendered animal fat; new jute sacks, articles of jute and jute cloth; superphosphate; rye flour and rye meal; eels; fresh, chilled and frozen sea fish, except herrings; sewing thread; boxes, cases and crates made of pinewood, as well as planks, bottoms, lids, sides and other parts thereof; untwined flax yarn; floor cloths; welded iron and steel piping and tubing; seamless piping and tubing; bicycle tires and casings; rubber tubing for the manufacture of bicycle inner tubes; chloride of lime.

Mexico

COMMERCIAL INVOICES

With reference to the item in *Commercial Intelligence Journal* No. 1844 (June 3, 1939), page 865, a Mexican decree of September 14 provides that an original and seven copies of the ordinary commercial invoice are now required to be submitted to the Mexican consul, instead of an original and ten copies as heretofore. Although only an original and seven copies are required, Mr. R. T. Young, Canadian Trade Commissioner at Mexico City, recommends that two more copies be executed, making a total of ten, the extra two to be filed for use in case of emergency. Two copies will be retained by the Mexican consul; four copies, including the original, will be returned duly authorized; two others will be returned unauthorized and, of course, two copies will remain on file. The four copies authorized, together with the two copies returned unauthorized, will be mailed to the consignee in Mexico.

A revised leaflet setting forth the Mexican documentation requirements in detail is available to Canadian exporters concerned on application to the Department of Trade and Commerce, Ottawa.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications.

Particulars are as follows:—

Post and Telegraph Department.—100 stops for pawls, part No. 1/SST/36, for B.P.O. uniselectors (tenders close February 15, 1940).

EXCHANGE CONTROL IN BRITISH MALAYA

K. F. NOBLE, ACTING TRADE COMMISSIONER

Singapore, October 10, 1939.—Control of exchange and exchange rates for the currencies of all countries other than those in the British Empire sterling bloc has been vested in the Financial Secretaries in the Straits Settlements, the Federated and the Unfederated Malay States, as from September 13, by the Defence (Finance) Regulations, 1939. Although the several parts of British Malaya have separate empowering legislation, there is a uniformity of policy which makes the general position given hereafter specifically for the Straits Settlements applicable throughout Malaya.

The sale of non-sterling exchange is monopolized as a government function. In general, the ordinances provide that no companies or persons shall:—

- (1) Buy, sell or exchange negotiable instruments in foreign currency through other than the four English exchange banks who, as authorized agents, shall negotiate such transactions at rates established by the Financial Secretary. The named agent banks are (1) the Hongkong and Shanghai Banking Corporation; (2) the Chartered Bank of India, Australia and China; (3) the Mercantile Bank of India; and (4) the Eastern Bank.
- (2) Send out of the country negotiable instruments in any currencies other than those of the Empire sterling bloc. Transfers certified as arising out of "reasonable requirements of trade or business within the country" are specifically exempted from this regulation.

Further, foreign assets and credits held by British companies and nationals domiciled in British Malaya must be recorded with the Financial Secretary and may not be transferred or liquidated without approval.

The peculiar position of Canada, within the Empire but without the sterling bloc, theoretically compels Canadians to record their Canadian assets and utilize them only subject to permission of the Financial Secretary; but supplementary ruling has decided that Canadian assets held by Canadian citizens are exempted from registration.

There is no indication that the Defence (Finance) Regulations, 1939, are anything but a precautionary measure. Trade and business have been unaffected to any appreciable degree by reason of the exemption granted transactions arising out of the "reasonable requirements of trade or business."

Potential buyers of non-sterling exchange for trade purposes must make application for a "permission to import," showing in such application the kind and amount of non-sterling currency required.

The list of products for which "permission to import" from non-sterling Empire countries is required covers thirty-four items; but as these are of a wide, general nature it is easier to consider that everything but foodstuffs is included. Many importers in complying with the Defence (Finance) Regulations, 1939, make it a practice to apply for "permission to import" in connection with all orders involving non-sterling exchange.

Applications for "permission to import" are subject to revision, curtailment or refusal at the discretion of the Registrar of Controlled Imports, but no such action has been taken to date. Once "permission to import" has been granted, exchange to the value named on the import permit can be obtained from any agent bank either on arrival of the goods, or at any earlier date, by surrender of the necessary documents.

A copy of the Straits Settlements Defence (Finance) Regulations, 1939, including a list of the thirty-four classes of controlled products, is on file in the Department of Trade and Commerce, Ottawa. Detailed information relating thereto may be obtained upon application, quoting file No. 20289.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 4, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 4, 1939, and for the week ending Monday, November 27, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 27	Nominal Quotations in Montreal Week ending Dec. 4	Official Bank Rate
Belgium	Belga	.1001	\$.1836	\$.1834	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2140	5½
Finland	Markka	.0252	.0211	.0200	4
France	Franc	.0392	.0246	.0246	2
Great Britain	Pound	4.8666	.....	.....	—
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0080	.0079	6
Holland	Guilder	.4020	.5892	.5892	3
Hungary	Pengo	.1749	.....	.....	—
	Unofficial		.1954	.1954	4
Italy	Lira	.0526	.0559	.0560	4½
Yugoslavia	Dinar	.0176	.0251	.0250	5
Norway	Krone	.2680	.2520	.2518	4½
Portugal	Escudo	.0442	.0400	.0399	4-4½
Roumania	Leu	.0060	.0079	.0078	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2642	.2639	2½
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000	.....	.....	—
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2257	.2258	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0246	.0246	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0246	.0246	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3305	3½
	Free		.2570	.2547	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6357	.6341	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0851	.0797	—
Hongkong	Dollar	.....	.2706	.2702	—
India	Rupee	.3650	.3337	.3363	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.3986	.3963	—
Straits Settlements	Dollar	.5678	.5093	.5078	—
Australia	Pound	4.8666	3.5760	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Still under continued pressure, sterling free rates at New York moved 2½ cents lower to \$3.90 during the week ended December 4. During the same period Canadian funds stiffened from 86½ cents on November 27 to 86¾ cents, though they had previously touched a mid-week peak of 87½ cents on December 1. At Montreal, French francs declined from 2.46 cents on November 27 to 2.44 cents on the 30th, but subsequently recovered to finish the week at 2.47 cents. Belgian belgas eased 2 points to 18.34 cents between November 27 and December 4, while Dutch florins remained steady at 58.92 cents. Substantial pressure on the florin was, however, reflected in unusually sharp discounts on 90-day futures, New York on Amsterdam, which was quoted at 120 points under spot on the 1st. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds were unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Halibut Liver Oil Capsules.....	564	Sydney, Australia.....	Purchase or Agency.
Silks, Tie.....	565	Sydney, Australia.....	Agency.
Women's Apparel, particularly Gloves and Knitwear.....	566	Sydney, Australia.....	Agency.
Yarns, Wool, Duck (All Cotton)..	567-9	Sydney, Australia.....	Agency.
Powder Puff Velour.....	570	Chippendale, Australia....	Agency.
Imitation Jewellery and Arti- ficial Flowers; Jewellery Boxes.	571-2	Sydney, Australia.....	Agency.
Pottery and Silverware.....	573	Sydney, Australia.....	Agency.
Clocks.....	574-5	Sydney, Australia.....	Agency.
Flash-lights.....	576	Sydney, Australia.....	Agency.
Hurricane Lanterns.....	577	Sydney, Australia.....	Agency.
Scissors.....	578	Sydney, Australia.....	Agency.
Hardware.....	579	Sydney, Australia.....	Purchase or Agency.
Toys.....	580	Sydney, Australia.....	Agency.
Toys.....	581	Sydney, Australia.....	Purchase or Agency.
Tools and Jacks.....	582	Sydney, Australia.....	Agency.
Electric Motors.....	583	Sydney, Australia.....	Agency.
Tube Steel for Bicycles.....	584	Brisbane, Australia.....	Agency.
Copper Sheets.....	585	Sydney, Australia.....	Agency.
Bath Tubs, Basins, etc. (En- amelled or Porcelained).....	586	Lima, Peru.....	Purchase or Agency.
Chemicals (Hydroquinine, So- dium Hydro-sulphite, Sapon- ine, Formaldehyde, Carbonate of Potash, Fusel Oil.....)	587	Sydney, Australia.....	Purchase or Agency.
Wood Tar; Wood or Gum Resin..	588	South Brisbane, Australia..	Agency.
Fruit Baskets and Apple Boxes (Shooks).....	589	Worcester, England.....	Purchase.
Spruce Lumber for Box Making..	590	Havana, Cuba.....	Agency.
Birch Dimension Stock.....	591	Port Washington, Wiscon- sin, U.S.A.	Purchase.
Building Materials.....	592	Sydney, Australia.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Cooslingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

- RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

- ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

- London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

- London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

- Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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No. 1872



Army Bakery at Singapore



ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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No. 1872

CONTROL OF NON-FERROUS METALS (COPPER, LEAD AND ZINC) IN THE UNITED KINGDOM

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

London, November 20, 1939.—Like other important raw materials, copper, lead, and zinc are now controlled by the Ministry of Supply. To date four orders defining the scope of the authority of the Non-Ferrous Metals Control set up under the Ministry at Rugby have been issued under the Defence Regulations.

Under the first Non-Ferrous Metals Order dated September 1, 1939 (No. 997) the following definitions were assigned to the three metals mentioned:—

"Copper" includes any rough copper, refined copper, copper in the form of wire-bars, ingot bars, ingots, blocks, slabs, bars, billets, cakes, cathodes, anodes, or wire rods, or copper scrap or swarf;

"Lead" includes any virgin pig lead, antimonial lead, remelted lead, lead ores, lead concentrates, lead residues, lead scrap or scrap battery plates;

"Zinc" includes any zinc ores, zinc concentrates, zinc oxide, zinc carbonate, spelter, G.O.B. spelter, refined zinc, electrolytic zinc, zinc scrap, hard spelter, zinc ashes, dross, zinc dust, or flux skimmings.

The extent to which the trade in the above products is subject to control is indicated below under appropriate headings covering the licensing of the trade, the reporting of stocks and the establishment of maximum prices.

LICENSING REGULATIONS

The existing licensing regulations were established under the third Non-Ferrous Metals Order (No. 1283) dated September 24, 1939. Purchases, whether by consumers or merchants, of copper, lead, and zinc in the forms mentioned above, have been subject since September 26 to licence issued by the Control, and sales to buyers who have not been granted licences are prohibited. These requirements apply to all purchases whether they are to fulfil Government contracts or not, except where quantities of less than one ton of copper, lead, or zinc may be required for immediate repairs or renewals, in which case no licence is required. Furthermore, the disposal or acquisition of these metals is also not subject to licence providing:—

- (a) It takes place in performance of a contract in writing entered into before September 1 of this year and at a price determined before that date; and where
- (b) it concerns the disposal or acquisition of any copper scrap or swarf, lead residues, lead scrap, scrap battery plates, zinc scrap, hard spelter, zinc ashes, dross or flux skimmings for the purpose of being disposed of either without being processed, or without being processed otherwise than by cleaning, crushing or grading.

The Ministry of Supply has the right to revoke without notice any licences granted.

Applications from consumers are being lodged with the Control by their usual suppliers or through trade associations, so that the customary channels of trade are being preserved, although all supplies of the unwrought metals may normally be in the hands of the Control. Both purchases by the Control for its

own account and resale to consumers at the stipulated prices, are being arranged. Applications by consumers for supplies are considered for priority and certain restrictions on the use of these metals are already in effect. Applications for this purpose have therefore been divided into three categories, viz: materials required for government contracts, both direct and indirect; home trade orders; and export orders.

Since October 25, sales and purchases of zinc oxide, zinc carbonate, and zinc dust have been exempt from the licensing arrangements, although zinc oxide is still subject to price control.

STOCK RETURNS

Under the first Non-Ferrous Metals Order (No. 997) dated September 1, 1939, the Ministry of Supply was empowered to call for returns of stocks and for other information from owners of copper, lead, or zinc and from producers of these products or manufacturers of articles of which these metals are constituent parts.

MAXIMUM PRICES

A schedule of maximum prices at which specified materials "situate in the United Kingdom and for delivery in the United Kingdom" could be sold on or after September 1, 1939, was issued under the control order of that date. Certain changes in these prices were made under the second Non-Ferrous Metals Order (No. 1117) of September 7, and the fourth Order (No. 1486) of October 23 contained further modifications and set prices for certain classes of scrap which hitherto had not been subject to price control.

The following is a complete list of the current maximum prices per long ton of 2,240 pounds:—

Copper—	Material	Maximum Price
	Rough copper, unwrought, in the form of blocks or slabs or in any other form	£46 in warehouse
	Refined copper, unwrought, in the form of ingot bars, ingots, bars or in any other form	£49 10s. in warehouse
	Electrolytic copper, unwrought in the form of wire-bars, ingot bars, ingots or bars, or in any other form	£51 c.i.f. U.K. ports
	Copper billets	£55 c.i.f. U.K. ports
	Copper cakes	£51 12s. 6d. c.i.f. U.K. ports
	Copper cathodes	£50 10s. c.i.f. U.K. ports
	Copper wire rods	£55 delivered buyer's premises
Lead—		
	Good soft pig lead (foreign)	£16 12s. 6d. ex ship (duty for buyer's account)
	Empire lead	£17 ex ship
	Good soft pig lead (foreign)	£17 5s. ex warehouse (duty for buyer's account)
	Empire lead	£17 12s. 6d. ex warehouse
Zinc—		
	G.O.B. spelter (foreign)	£15 ex ship London (duty for buyer's account)
	G.O.B. spelter (foreign)	£15 12s. 6d. ex warehouse (duty for buyer's account)
	Empire zinc	£17 5s. ex ship London
	Empire zinc (including domestic zinc)	£17 17s. 6d. ex warehouse
	Domestic zinc	£17 5s. f.o.r. Swansea and Avonmouth
	High-grade zinc	£18 c.i.f. U.K. ports
	High-grade zinc	£18 12s. 6d. ex warehouse
	Zinc sheets (No. 10 zinc gauge and thicker)	£30 12s. 6d. ex works (for lots of 5 tons and over)
	Rolled zinc (boiler plates)	£28 12s. 6d. ex works
	Hard spelter and dross	£11 ex works
	Flux skimmings	1s. per unit f.o.r. works
	Zinc oxide (red seal)*	£21 delivered buyer's premises
	Zinc oxide (white seal)*	£23 10s. delivered buyer's premises
	Zinc oxide (green seal)*	£22 10s. delivered buyer's premises.

* Prices are for lots of not less than two tons. Customary increases may be allowed for smaller quantities.

Material	Maximum Price
Copper scrap—	
Bright untinned copper wire in crucible form or in hanks	£49 delivered buyer's premises
No. 1 copper wire	£48 10s. delivered buyer's premises
No. 2 copper wire	£47 delivered buyer's premises
Brass scrap—	
Q. F. process and shell cases, 70/30 quality (free from primers)	£41 delivered buyer's premises
Clean fired 303 S. A. cartridge cases	£39 delivered buyer's premises
70/30 turnings, clean and baled	£35 delivered buyer's premises
Brass swarf (clean commercial, free from iron; otherwise subject to allowance for moisture, iron and other impurities at buyer's valuation).	£27 delivered buyer's premises
New brass rod ends, 60/40	£31 delivered buyer's premises
Admiralty Gunmetal Scrap and Swarf—	
88.10.2	£60 10s. delivered buyer's premises (for two tons or over)

Prior to October 25 lithopone and zinc sulphide were subject to the following maximum prices:—

Lithopone 28 to 30 per cent	£15 10s. delivered buyer's premises
Lithopone 60 per cent	£29 delivered buyer's premises
Zinc sulphide	£56 ex works

As arrangements have been made for the voluntary regulation by the trade of prices for these materials, no statutory maximum is now in effect.

Where the above prices do not include costs of delivery to the buyer's premises, reasonable charges may be added by the seller to cover such costs from the point specified. The customary freight differential between the basic ports specified and the other ports of delivery may also be included in the price, where quotations c.i.f. United Kingdom ports other than those mentioned are desired. Where prices are given "duty for buyer's account," custom duties are not included; but in other cases sellers are responsible for such charges.

Zinc sheet prices may be increased or decreased by the usual trade extras or allowances as the case may be, where sheets of thinner gauge than No. 10 or sheets of unusual sizes or qualities may be required, or where the quantity desired is less than five tons.

EXPORT AND IMPORT PROHIBITIONS

The export to all countries of unwrought copper, lead, and zinc or spelter, and of non-ferrous scrap and old metal, has been prohibited since September 2, 1939, except under a licence issued by the Export Licensing Department of the Board of Trade. At the present time licences are not readily obtainable.

No import licences are necessary for the base metal products referred to in this report and foreign exchange is being made available to buyers, including the Control.

CONTROL OF CEREALS AND CEREAL PRICES IN THE UNITED KINGDOM

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

London, November 18, 1939.—Since the publication of a report on this subject in *Commercial Intelligence Journal* No. 1864 (October 21, 1939), the Cereals Control Board have issued a number of new orders. These rulings mainly concern United Kingdom farmers and millers, but some are also of interest to Canadian farmers and wheat exporters.

MINIMUM EXTRACTION OF FLOUR

There must now be a minimum extraction of flour by the United Kingdom millers of 70 per cent from the total weight of clean wheat, if the latter consists

of home-grown wheat. If, however, a mixed grist is used, there must be an extraction of at least 73 per cent, irrespective of the percentage of Manitobas contained in such grist. The use of imported millable wheat by controlled flour millers for any purpose other than the production of flour is prohibited. Millable wheat is described as any threshed wheat, whether home-grown or imported, capable of being manufactured into a sound and sweet flour for human consumption.

USE OF MANITOBA IN GRISTS

Until further notice millers have been recommended by the Ministry of Food to use up to 40 per cent Manitoba wheat in their grists if supplies are available at the mills, in order to conserve filler wheats.

GRADES OF WHEAT BY-PRODUCTS

Controlled flour-millers are allowed to manufacture only two grades of wheat by-products, viz. "Fine Wheat Feed" and "Straight-run Bran."

The Cereals Control Board continue to be the sole buyers for the United Kingdom for cereals. They receive offers from the regular trade channels in the United Kingdom for consideration. Business is done on the usual trade contracts as far as possible.

FIXED WHEAT PRICES

Under an order dated October 30, effective November 3, prices have been laid down for the sale of home-grown wheat. Growers of wheat must sell at 7s. per hundredweight (112 pounds) or 31s. 6d. per quarter (of 504 pounds) net weight at grower's farm, plus certain increases for credit facilities; but all transport and customary sack charges are to be for the account of the buyer.

If home-grown wheat is sold by a person other than a registered grower, in lots of 18 quarters or over, the maximum price is 32s. 3d. per quarter (of 504 pounds), plus certain increases for credit, weighing and bagging and war-risk insurance. If sold in lots under 18 quarters a scale of increases is permitted, ranging up to as much as 4s. per quarter for sales under one quarter.

The Government have also undertaken to increase the standard price of wheat, which is the guaranteed return to the United Kingdom farmer on home-grown wheat, from 10s. to 11s. per hundredweight, or from 45s. to 49s. 6d. per quarter. In other words, while the grower of wheat is to sell to a miller at 31s. 6d. per quarter (504 pounds) as mentioned above, the grower knows that eventually he will receive from the Wheat Commission, under the Wheat Act of 1932, a deficiency payment for the difference.

The Cereals Control Board have also again emphasized the prohibition of the sale of National Straight Run flour under brand names. This refers to its sale not only in 140-pound bags, but also in smaller bags. The only exception is where National Straight Run flour is used for the manufacture of a self-raising flour in bags or packets of 14 pounds or less.

BUSINESS CONDITIONS IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(£A1 equals approximately \$3.60 Canadian)

Sydney, November 13, 1939.—The Commonwealth of Australia, in conjunction with the United Kingdom and the other Dominions, has now concentrated all her activities towards adequate defence preparations and full co-operation in the supply of essential foodstuffs, munitions and man-power.

Despite numerous forms of control—including price fixing for all major commodities, control of exports, and control of securities and exchange—

Australian trade and economic conditions in the second month of the war may be regarded as essentially normal, with producers and traders continuing their activities along much the same lines as in recent pre-war months.

Compared with her position at the start of the World War of 1914-18, Australia as a whole is immeasurably stronger, both financially and industrially. In the event of protracted hostilities, there is no doubt that Australia's contribution to the Empire's war efforts will be definitely more valuable than in the previous conflict.

GROWTH OF DOMESTIC INDUSTRY

A preliminary survey of the effect of the present war on Australia's future economy by leading bankers and economists indicates that it will undergo a radical revision, particularly in the direction of imports, when the present war concludes.

It is pointed out, for instance, that local production of manufactures has been steadily expanding to provide a greatly increased percentage of Australia's essential requirements. Factory output for the past three years has been valued at £A450,000,000 per annum, while the average annual value of imports into Australia is approximately £A130,000,000.

SOURCES OF AUSTRALIAN IMPORTS

An analysis of imports into the Commonwealth during the twelve months ended June 30, 1939, shows that Great Britain supplied approximately 40 per cent. Germany has been losing trade steadily in the Australian market. For the period mentioned direct imports from that country constituted less than 4 per cent of the total value of imports, while direct exports from Australia to Germany were valued at less than 2 per cent of the total export value. The loss of this direct trade, therefore, occasions little inconvenience to the Commonwealth. In comparison, Canada supplied approximately 8 per cent of the total imports; the United States, 14 per cent; Netherlands East Indies, 7 per cent; Japan, 4 per cent; India, 3 per cent.

The extent to which Great Britain, under the stress of war, will be able to maintain shipments to the Commonwealth is uncertain as yet; but the closure of markets in Europe which normally purchase large quantities of British manufactured goods, will undoubtedly result in an effort to maintain Great Britain's trade with those countries, particularly Empire countries, from which essential primary products must be shipped. Purchases of Australia's export surpluses of wool, butter, meats, and other primary items by the United Kingdom will not only provide additional purchasing power in Australia, but should ensure that the necessary cargo space will be available for the shipment of United Kingdom manufactures to this country.

The increase of freight rates to 50 per cent above pre-war levels, plus war-risk insurance and uncertainty of delivery from overseas, has already stimulated the expansion of Australian industries to cope with local orders. As in Canada, numerous small industries are also being established by refugees from Czecho-Slovakia, Austria, Poland, and adjacent Balkan countries. Similarly, British manufacturers with long established markets in Australia are being encouraged to establish branch industries or to co-operate with existing industries to protect their future market.

Increased knowledge throughout Australia of Canada's ability to supply a wide range of materials and manufactures previously obtained from Europe has resulted in numerous new connections and inquiries. These may be the means of establishing a market for Canadian products not already sold here, and tend to offset the loss of previously established markets for Canadian goods as a result of Australia's increased production. The opportunities for

increased trade cover an extremely wide range of commodities, including such diverse items as specialty paper products, textiles of all kinds, light and heavy chemicals, tools of trade, wood- and metal-working machinery, surgical, optical and scientific instruments, hospital supplies, aluminium foils and alloys, and electrical requirements for secondary industries.

NEW INDUSTRIAL DEVELOPMENTS

A recent report issued by the Development and Information Bureau of New South Wales supplies striking indication of the stimulus afforded new industries by the anticipated shortage of supplies from overseas. New undertakings mentioned in the report include the manufacture of ramie cloth from raw materials in New South Wales and Queensland; this venture is expected to provide employment for 1,000 workers. Other enterprises include the manufacture of cutlery, spoons and forks (present annual imports amount to £575,015); lenses (£85,213); artificial teeth (£77,476); cellophane (£69,225); cotton wool, bandages, etc. (£227,462); dextrine (£50,000); cotton weaves (£5,000,000); haberdashery (£571,815); gloves (£200,000); fancy yarns (£50,000); glucose, maltose and adhesives (£55,129); cushions, cosies, doilies, traycloths, pillow cases, etc. (£108,735); boots and shoes—special types to be manufactured by an ex-Austrian firm; artificial manures; plaster of paris.

Although the majority of these industrial enterprises will be introduced to a considerable extent by refugees from European countries, as in Canada, and do not as yet involve large capital expenditure, there is little doubt that overseas trade in these and additional products will be greatly curtailed. At the same time greatly increased demand is in evidence for raw and semi-manufactured products for use by secondary industries, which will materially assist in the maintenance of Canada's important trade with the Commonwealth.

UNITED KINGDOM PURCHASES OF PRIMARY PRODUCTS

The United Kingdom Government's purchase of Australia's export surpluses of primary products has had a remarkable stabilizing effect upon Australia's economic life. It solves the serious marketing problems of a large proportion of the rural population of Australia. Although it does not entail any serious diversion of normal designations other than wool, the assurance of stabilized prices for the duration of the war period has served to create a sense of security which has already had beneficial repercussions in all classes of industry.

The extent to which Australia is dependent upon the British market for the sale of these main commodities is indicated in the following table, which shows the quantities and values of exports of six leading Australian primary products in the fiscal year 1938-39, and the percentage of the total value of each taken by the United Kingdom:—

Exports of Leading Primary Products from Australia, 1938-39

	Million Pounds	Million £A.	Per Cent of Total Value to U.K.
Butter..	217	11.5	94
Beef..	249	3.9	90
Mutton and lamb..	180	4.7	97
Wheat..	868	2.0	22
Flour..	235	0.7	15
Wool (greasy)..	333	15.9	43

Negotiations with the United Kingdom Government have resulted in the conclusion of contracts and arrangements for the sale to the United Kingdom

of Australian commodities to the estimated value of some £87,000,000 per annum. The commodities involved are:—

	Quantity	Estimated Export Value
Wool.. . . .	910,000,000 Lbs.	£54,000,000
Butter.. . . .	2,000,000 Cwts.	13,500,000
Cheese.. . . .	330,000 Cwts.	1,150,000
Eggs.. . . .	1,026,000 Great Hundredes	600,000
Beef and veal.. . . .	2,511,000 Cwts.	4,500,000
Mutton.. . . .	400,000 Cwts.	680,000
Lamb.. . . .	1,600,000 Cwts.	5,000,000
Pork.. . . .	350,000 Cwts.	1,250,000
Edible offals.. . . .	183,500 Cwts.	380,000
Sugar.. . . .	534,500 Tons	5,500,000

WOOL

The agreement on wool between the United Kingdom and Australia provides for the sale of the Australian wool clip for a period of three years and one clip thereafter at a price of 13·435d. per pound. This price is substantially below the average price ruling during the last war, but it is a marked increase over prices for the past two years. The 1939-40 clip is particularly high in quality; the sheep as a whole, due to excellent pasturage and rainfall during the past few months, show increases of from one to three pounds in wool weight. The British Government will pay an added amount of $\frac{3}{4}$ d. per pound to cover costs from store to shipboard, including charges for handling, delivery, dumping, cataloguing, documentation, appraisalment, and administration from appraisalment to delivery on boats.

The Central Wool Committee states that the purchase scheme is now operating smoothly and effectively and that large quantities have already been dispatched. Australian manufacturers have access to whatever supplies they require, on the understanding that payments will be in accordance with prices paid by the United Kingdom. It is estimated that Australian mills will require approximately 300,000 bales for domestic purposes. Wool in store in various centres throughout the Commonwealth as at September 30 included 1,113,874 bales of the 1939-40 clip and 102,328 bales carried over from the 1938-39 season. The general policy of the Central Wool Committee is that the needs of Australia, Great Britain, the Empire and the Allies will be satisfied first, and that the position of approved neutrals will be given every consideration, in co-operation with the British Government.

REFRIGERATED COMMODITIES

The sale of the total export surplus of meat, dairy produce and eggs to the United Kingdom Government involved extensive negotiations in connection with the variety of grades, qualities and types. In general, the arrangements and prices decided upon have been well received throughout the primary industries concerned, although some difficulty is anticipated in the event of any re-adjustment of the present fixed exchange rates as between the pound sterling and the Australian pound, or in the event of shipping difficulties which might involve additional or extended storage before clearance to the United Kingdom. Arrangements just concluded will, it is hoped, enable normal trade to be carried on without undue interference. Meat exporters will operate at stock sales as usual, and the slaughter of stock and the storage and export of frozen meat will proceed in accordance with established practice. Similarly with regard to dairy produce and eggs, existing marketing organizations are being preserved, but special committees will be appointed to work in close liaison with the Government. These committees will deal primarily with additional refrigerated storage on land, and the provision of adequate refrigerated

shipping space, in order that supplies may move to United Kingdom markets smoothly and efficiently.

Meats.—The meat agreement fixes the prices of principal items, f.o.b. Australian ports, in Australian currency and provides that 90 per cent of the purchase price will be paid at date of shipment and 10 per cent within 28 days after arrival in the United Kingdom, subject to satisfactory delivery. Ten per cent of each parcel will be weighed on arrival at destination, and the whole parcel judged on that result. Inspection for quality, branding and weight will be made at each port of discharge. Responsibility for tonnage, war-risk insurance, and delivery to stated United Kingdom centres of distribution will rest with the United Kingdom authorities.

A statement by the Australian Meat Board indicates that the prices established are regarded as fair and equitable, both from the point of view of the producer in Australia and the consumer in Great Britain. It is understood that the basis of negotiations was the official price list of the Imported Meat Trades' Association, London, and the average 1938 price the deciding factor. The period covered by the contract is October 1, 1939, to September 30, 1940. The Board also emphasizes that deductions must be made from the contract price of acceptance to cover delivery of stock to works, processing costs, insurance on f.o.b. delivery from works to ship, and return to the exporting operator. It is pointed out that there is no quotation for chilled beef, shipment of which ceased with the outbreak of war and is unlikely to be renewed for the duration.

On the estimated volume of surpluses, it is expected that the values will be as follows: beef and veal, £4,500,000; mutton and lamb, £5,700,000; pork, £1,250,000; edible offal, £380,000; total, £11,830,000 Australian currency.

Butter.—The contract price arranged with the United Kingdom in respect of butter is officially announced at 136s. 4d. (Australian currency) per hundred-weight, f.o.b., for choice grade, with slightly reduced figures for lower grades. As in the case of meat shipments, the increased freight rates and war risk insurance are payable by the United Kingdom Government, and 90 per cent of the value will be paid on shipment, and the balance within 28 days after arrival. The present contract, however, expires on June 30, 1940.

The prices are approximately 11s. per hundredweight higher than the average price obtained in London during the 1938-39 season, and amount to a return to the producer of from 1s. 2d. to 1s. 3d. per pound, which is the highest price received for the past five years.

Cheese.—Final details are not yet available covering the prices arrived at for Australian cheese surpluses.

Eggs.—As with meat and dairy produce, prices have been established for eggs under a contract which comprises all eggs packed for export before December 31, 1939. Estimated exports are 345,000 thirty-dozen cases, for which the value would be £608,000 Australian currency.

SUGAR

The quantity of raw sugar involved is approximately 332,500 tons, and the price will be 7s. 6d. (sterling) per hundredweight, i.e., £7 10s. per ton, c.i.f. United Kingdom ports, basis 96 degrees polarization, plus the existing British tariff preference of £3 15s. on Dominion sugar. Any excess of freight rates above 35s. 6d. per ton, or of insurance above pre-war normal rates, will be paid by the British Sugar Control Board.

These arrangements are subject to an understanding between buyers and sellers that the price is intended to represent the basis of £7 10s. per ton, accord-

ing to values at the time negotiations took place, and that in the event of currency or other developments rendering £7 10s. inadequate to give sellers (i.e., the sugar producers) their present return therefrom, sellers will be entitled to re-open the question of price with a view to revision.

The price and conditions mentioned will result in a net return on Australian raw sugar (f.o.b. mill) of approximately £10 per ton. This is slightly higher than the return from recent sales to the United Kingdom, and compares favourably with the low average return of £8 4s. 3d. per ton on the previous season's exports.

The arrangement will result in an increase of 79,500 tons in exports from the 1939 crop than had previously been anticipated. Prior to this sale, 130,000 tons of raw sugar had already been exported to Britain, and 72,500 tons to Canada. Total exports for the season will thus be 535,000 tons, which will substantially exceed the 1938 season's record exports of 441,786 tons. The export value of the 1939 shipments will be approximately £5,500,000 (Australian currency).

REGULATION OF AUSTRALIAN HIDE AND SKIN EXPORTS

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, November 6, 1939.—When war broke out the United Kingdom Government expressed a desire to assume control of the entire exportable surplus of a number of Australian primary products. Although hides and skins were not included in the list, the Australian Government felt that an abnormal demand would arise and that prices would strengthen. Therefore, they made these commodities subject to price control, the object of which was to maintain domestic prices of hides and skins as close as possible to the levels ruling on August 31, 1939.

Higher prices being offered from overseas countries, the merchants reduced their sales on the domestic market to the point where the tanners complained that supplies were insufficient to meet the demand. To rectify the position, the export of hides and skins was prohibited until a method could be evolved for securing an equitable distribution among all merchants of the benefits from the higher export values. For this purpose a Hide Board is to be formed from members of the trade and the interested government departments.

In the meantime, merchants complained that inability to export meant accumulation of stocks that taxed warehouse capacity and led to staff dismissals. To relieve the situation until such time as the Hide Board would be functioning, it was decided to relax the prohibition temporarily, and allow exports under licence.

Exporters applying for licences must furnish evidence of the quantity of hides exported by the applicant during the first eight months of this year as well as the quantities exported since September 1. A permit may be issued to exporters for such quantities as would have the effect of permitting them to export twice the amount of their average monthly exports during the first eight months, after any exportations effected or authorized since September 1 have been deducted from the quantity ascertained to be double their monthly average.

The Hide Board should be operating in the near future. Full details on the routine to be followed will be forwarded for publication as soon as available.

BUSINESS CONDITIONS IN JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, November 25, 1939.—The Jamaica Legislative Council has lately concluded a special emergency session held for the purpose of allocating funds for the repair of public property and the rehabilitation of the banana industry, both of which suffered much damage from heavy rain and wind early in the present month, caused by a hurricane that passed the island, fortunately about 200 miles out to sea. Roads were scoured by torrential rains and in parts washed away or buried by landslides; bridges and other public property likewise suffered, and the total cost of repair work is estimated at about £94,000.

Heavy loss was sustained by the banana industry, which is the main item of Jamaica's national income, accounting in a normal year for well over one-half of the total value of the domestic export trade. About a million trees are said to have been destroyed, and as banana cultivation, because it yields quick and regular cash returns, is a vitally important factor of the Jamaican people's purchasing power, immediate restorative action was necessary.

EXPORTS

The quantities and f.o.b. values of exports of Jamaica's three leading export commodities and the value of total domestic exports in the first nine months of 1938 and 1939 were as follows:—

Exports from Jamaica, January-September

	Jan.-Sept., 1938	Jan.-Sept., 1939
Total domestic exports	£ 3,919,250	£ 3,953,509
Bananas stems	18,964,678	16,482,332
Bananas £	2,279,172	2,120,989
Sugar long tons	105,034	103,781
Sugar £	859,500	989,524
Rum gals.	773,571	761,407
Rum £	205,480	205,050

In both periods exports of bananas, sugar and rum together represented over 80 per cent of the total value of the domestic exports. In an economic sense sugar and rum can be treated as a single item because they are both made at the same places and from the same raw material. Actually, therefore, cultivation of bananas and sugar cane accounts for fully four-fifths of the colony's export trade, which ultimately determines the people's ability to pay for imported goods.

The decline of banana exports in 1939 below those of 1938, mainly due to plant disease, was offset by the notably higher value of sugar shipped in the former period. Although, according to expert opinion, the output of bananas will continue to fall and in time may virtually cease unless some means should be found of counteracting plant diseases, the present and prospective economic significance of this crop is unquestioned. Therefore, the provision of aid by the Government in the present emergency is universally approved.

GOVERNMENT LOANS TO BANANA PLANTERS

The Government will help banana planters to restore their damaged cultivations by allotting £100,000 to be loaned them at interest. Those in a large way of business will deal with an official body called the Banana Industry Aid Board,

established in 1932 in a similar emergency; the small farmers will be able to borrow from the 58 Agricultural Loan Banks in the colony. These loan banks are the fruit of many years' development of a system of agricultural credit. They are advanced money by a central supervisory body, the Agricultural Loan Societies Board, to which the Government has allotted £50,000 for the present purpose, a like sum going to the Banana Industry Aid Board. The Government has also arranged to lend money to fishermen who lost boats, nets, pots and gear during the storm.

LOCAL FOOD PRODUCTION SCHEME

Opportunity was taken at this special session of the Legislature to allocate £100,000 for the Government's scheme to increase production of local foodstuffs, both animal and vegetable, as a precaution against a possible shortage of imported supplies ensuing from war conditions. The sum stated will be available for making loans to planters through the agricultural credit organization mentioned above, and the Government will buy the farmers' produce at prices fixed beforehand. It will be seen, therefore, that the Government has provided £200,000 for aid to agriculture and £94,000 for repair of storm damage to public property, the former sum being recoverable.

PUBLIC FINANCE

The sum of £294,000 will be paid temporarily out of public loan funds raised for the building of a new Legislative Council Chamber and some other projects inevitably postponed in consequence of the war. The Government's financial reserves, comprising the Calamities Insurance Fund and the Special Reserve Fund, which stood on March 31 last at £173,000 and £140,000, respectively, remain untouched.

Supplementary Government expenditure authorized by the Legislative Council at this emergency session included an item of £85,246 to defray the cost of maintaining law and order in the country during the disturbances that began in May, 1938.

At a previous special session of the Jamaica Legislature, called for the purpose of raising revenue for national defence, unemployment relief and some other purposes and concluded shortly before this special emergency session, extra taxation was imposed estimated to yield £470,000 annually. Increases were made in the following taxes: import duties, package tax, income tax, stamp duties on cheques and numerous other documents, wholesale and retail spirit licences, estate duties, and excise on beer and cigarettes produced in the Island. Locally manufactured aerated waters, soap and butter substitutes, formerly free of excise duty, were made subject thereto, but in respect of these articles it was provided that the extra tax shall not continue beyond March 31 next after the end of the war, and the same applies to the increases in the excise on beer and cigarettes and in certain import duties. The package tax is customarily re-enacted each fiscal year.

In the Jamaica Government's estimates of revenue and expenditure for 1939-40 the former is shown at £2,737,940 and the latter at £2,851,942. The additions lately made on both sides of the account, as described above, raise each figure to approximately three and a quarter million sterling, the highest on record.

WARTIME FINANCES IN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, November 9, 1939.—Both Eire and Northern Ireland have had to introduce supplementary budgets to meet anticipated deficits arising out of war-time conditions. Both of these deficits are surprisingly large, especially since they follow normal budgets of record amounts

EIRE

In Dublin yesterday it was announced by the Minister for Finance that a deficit of approximately £1,620,000 was anticipated for next April. By increases in taxation now imposed it is hoped to obtain £603,000, leaving £1,017,000 to be met by certain economies and by carrying over the major portion of the deficit to next financial year. The chief features of the budget are as follows:—

Income Tax.—The standard rate is increased by 1s. from 5s. 6d. to 6s. 6d. in the pound for the year beginning April 6, 1940. This increase is estimated to give a further yield of about £780,000 to the Exchequer in 1940-41, and £1,040,000 in a full year if it remains in force.

Surtax.—This is revised upward for the current year, 1939-40. The tax on new scale will be payable on January 1, 1941.

Estate Duty.—The existing rates are increased by one-tenth in the case of estates between £10,000 and £50,000, and by one-fifth in the case of estates exceeding £50,000. It is estimated that these increases will yield an additional £13,000 in the current financial year and about £80,000 on a full year.

Sugar.—The customs duty on imported sugar is increased by 7s. per cwt.—from 16s. 4d. to 23s. 4d.—which is an increase of $\frac{3}{4}$ d. per pound—from 1 $\frac{1}{4}$ d. to 2 $\frac{1}{4}$ d. The rates on glucose, molasses, and saccharin are correspondingly increased. Articles (other than those chargeable with duty as sugar confectionery; beer; cider; cocoa preparations; condensed full-cream milk; fruits in syrup in sealed tins or cans; glucose; herb beer; honey, including artificial honey; molasses and invert sugar and all other sugar and extracts from sugar which cannot be completely tested by the polariscope; perry; polishing preparations; sauces and condiments; saccharin; soap; soap powders and substitutes; soups; spirits; sugar, table waters; tobacco; toilet preparations; wine; dried or powdered milk and articles made wholly or partly of dried or powdered milk) made from or containing sugar or other sweetening matter are now dutiable at 2 $\frac{1}{4}$ d. per pound or 2s. 1d. per gallon, which is an increase of the former duties of 2d. per pound and 1s. 8d. per gallon and which is in addition to any duty chargeable in respect of any spirits used in their manufacture. The rate of excise duty on sugar made from home-grown beet is also increased by 7s.—from 1s. 2d. per cwt. to 8s. 2d. These changes are expected to yield £243,000 this year, but they will not affect the retail price of sugar, which will remain at 4 $\frac{1}{4}$ d. per pound, an increase of 50 per cent over last month's price.

Unmanufactured Tobacco.—The rate increase in the case of both customs and excise is 2s. 8d. per pound, the customs duty thus becoming 13s. 4d. per pound and the excise 12s. 6d. This increase is expected to bring in an additional revenue of £277,000 in the present financial year. If the full duty is passed on to the public, cigarettes will probably be increased by 2d. for a packet of 20.

Beer.—The duty on beer has been raised by 12s. per standard barrel of 36 gallons, bringing the excise duty to £5 12s. and the customs duty to £5 12s. 6d. This will yield an additional revenue of £50,000 for this year.

Spirits.—The rate both for customs and excise is increased by 10s. per gallon at strength of proof, bringing the duty chargeable on home-made spirits to £4 2s. 6d. per proof gallon. The gain to revenue in the present financial year is expected to be about £20,000. The addition of 10s. per proof gallon represents approximately 2d. per glass at proof but less on spirits as ordinarily sold, which are considerably under proof.

The increased taxes on sugar, tobacco, beer and spirits are effective November 9.

NORTHERN IRELAND

In Belfast the Minister for Finance when presenting his supplementary budget to the Ulster House of Commons last month, announced the completion of a new financial agreement with Great Britain to meet wartime conditions. Under this agreement the British Treasury is to meet the full cost of civil defence and also to make a special grant if the amount received by Northern Ireland under the Re-insurance Agreement falls below £1,175,000. Approved expenditure by the Government over the peace-time level of £1,240,000 for all its services will be met by Great Britain.

It was estimated that Ulster taxation would yield this year £375,000 less than had been provided for in the budget, but owing to the increased local employment some £600,000 less was expected to be available under the re-insurance scheme.

The only taxation changes announced were the increase in the percentage of estate duty rates on large estates. An increase from £700,000 to £2,000,000 in Ulster's "Imperial contribution" to the Exchequer was announced, leaving a provisional surplus of £29,000.

**SUPPLEMENTAL TRADE AGREEMENT NEGOTIATIONS BETWEEN
THE UNITED STATES AND CANADA**

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, December 5, 1939.—According to a press release of November 30, 1939, issued by the United States Department of State, the Secretary of State has given formal notice of intention to negotiate with Canada a trade agreement supplemental to the trade agreement signed on November 17, 1938, and now in force.

At the same time the Committee for Reciprocity Information issued a notice setting December 16, 1939, as the closing date for the submission to it by interested persons of information and views in writing and of applications to appear at public hearings to be held by the committee; this notice also set Tuesday, December 19, 1939, at 10 a.m. as the time for the opening of public hearings with respect to these negotiations, which hearings will be held before the Committee for Reciprocity Information in the hearing room of the United States Tariff Commission, Washington, D.C.

The Secretary of State, in issuing the notice of intention to negotiate a supplementary trade agreement with Canada, stated that the proposed negotiations will be of a limited character and are intended to deal only with special emergency conditions which have arisen with respect to the marketing of silver and black fox furs and skins. The proposed negotiations will, therefore, be restricted to a consideration of the limitation of total imports for consumption into the United States of live silver and black foxes, silver and black fox furs and skins (dressed or undressed), parts of such furs and skins, and articles made wholly or in chief value of such furs and skins, and to a consideration of a reduction in the United States import duty on silver and black fox furs and skins. The present United States import duty on silver and black fox furs and skins originating in Canada, as fixed by item 1519 (c) of Schedule II of the Canada-United States Trade Agreement, signed November 17, 1938, is 37½ per cent ad valorem.

No consideration will be given in the proposed negotiations to the treatment by the United States of articles other than those mentioned above, or to the treatment by Canada of articles imported from the United States.

ALLOCATION OF UNITED STATES TARIFF QUOTA ON HEAVY CATTLE FOR 1940

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, December 5, 1939.—According to a press release of December 1, 1939, by the United States Department of State, the President signed a proclamation on November 30, 1939, allocating among countries of export for the calendar year 1940 the tariff quota applicable to cattle weighing 700 pounds or more each (other than cows imported for dairy purposes) which was established in the trade agreement with Canada signed November 17, 1938. The agreement provides that not more than 225,000 head of such cattle may be imported in any calendar year at a rate of 1½ cent per pound and that not more than 60,000 head of this quantity may be imported in any quarter-year. Imports above these amounts are dutiable at 3 cents per pound.

Under the terms of the proclamation, 86·2 per cent of the quota is allocated to Canada and 13·8 per cent to other foreign countries. These proportions are the same as those established for the last three quarters of 1939 by the President's proclamation of February 27, 1939. The application of these percentages to the maximum annual quota established in the agreement results in the following allocation for the calendar year 1940: Canada, 193,950 head; other foreign countries, 31,050 head.

The maximum quarterly quota of 60,000 head has also been allocated, on the basis of the same percentages, as follows: Canada, 51,720 head; other foreign countries, 8,280 head.

The allocations to Canada and to other countries are based upon imports into the United States during the years 1936 and 1937, which the President found to be representative of the trade in heavy cattle.

INDIAN WHEAT AND FLOUR TRADE¹

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equivalent to Can.\$0.36; quantities are shown in tons of 2,240 pounds; references are to fiscal years ending March 31 unless otherwise mentioned.)

Calcutta, September 21, 1938.—India has always ranked as one of the world's largest producers of wheat. In the early years of the present century it is estimated that India accounted for almost 10 per cent of total world production. More recently there has been a greater output in North and South America and Australia, with only slight fluctuations in the Indian crop. India's share of world production now varies from 7 to 8 per cent.

The average acreage sown to wheat in India in recent years has been 34,000,000, a very much lower figure per head of population than in other countries which produce any quantity of this grain. Production averages 9,500,000 tons (332,500,000 bushels), which is less than one bushel per capita as compared with much higher figures in such countries as Argentina, Australia, Canada, and the United States. Indian wheat production, moreover, is generally limited to the northern half of the country, particularly the Punjab, the United Provinces, and the Central Provinces, only small crops being grown in other districts. From the viewpoint of national economy, therefore, wheat is of limited importance and is essential to the welfare and prosperity of the population only in several distinct parts of the country.

¹ A report entitled "Marketing of Wheat in India" was published in *Commercial Intelligence Journal* No. 1742 (June 19, 1937).

PRODUCTION

As already indicated, India's wheat crop averages some 9,500,000 tons per annum, while the area sown is estimated at approximately 34,000,000 acres. The yield in 1938-39 amounted to 9,927,000 tons from 35,289,000 acres as against 10,794,000 tons from 35,626,000 acres in 1937-38 and 9,752,000 tons from 32,490,000 acres in 1936-37.

It may be noted that despite India's large production of wheat, the average return per acre is small. It has shown notable improvement in the Punjab and United Provinces, where irrigation is now available in many districts, but so far as the whole country is concerned it amounts to no more than 10 bushels per acre. This figure is based on estimates which in some instances have been made by somewhat antiquated methods. Apart from such distinctions, however, the United Provinces show the heaviest average yield of 15½ bushels per acre, followed by Bihar and Orissa with over 15 bushels, Sind Province with only slightly less, the Punjab with 12 bushels, and the Central Provinces with something less than 9 bushels. It is, of course, obvious from these figures that the yield per acre in other wheat-producing areas is low.

PRODUCING AREAS

The Punjab and the United and Central Provinces are the most important wheat-producing areas in India. Bihar and Orissa, Sind, and Bombay are of minor importance, as are also the larger Indian States of Rajputana, Gwalior, and Hyderabad. Production in Sind is, however, expected to show considerable development with the introduction of various irrigation schemes. Beyond scattered and restricted areas, all of these wheat-growing districts lie in the northern half of India, and those where cultivation is particularly concentrated are close to the northern and northwestern frontiers. These parts of the country enjoy a climate which is extremely hot in summer and cold during the winter months. The land is generally flat, while considerable areas, particularly in the Punjab, are irrigated by wells and canals, the acreage under irrigation having increased appreciably in recent years as a result of the development of various barrage and canal schemes.

The following table indicates the distribution of acreage and production by provinces and states as in May, 1939:—

Acreage and Production of Wheat in India

	1,000 Acres	1,000 Tons
Punjab	10,733	3,585
United Provinces	8,379	3,628
Central Provinces	3,441	680
Bombay	2,257	470
Central India	2,244	415
Gwalior	1,573	390
Rajputana	1,275	339
Sind	1,230	376
Hyderabad	1,212	166
Bihar	1,092	385
Other	1,256	331
Total	34,692	9,765

WHEAT CONSUMPTION

It has been estimated that the per capita consumption of wheat in some areas in Northern India amounts to 350 pounds per annum. This figure is considerably higher than Canadian consumption of some 250 pounds, but the population in these districts of India has few other foods at its disposal. In many parts of the country wheat is seldom used as food, and in Assam and Madras,

where rice is the staple diet, the annual per capita consumption of wheat is only a few pounds. There is evidence of a gradual tendency towards increased wheat consumption throughout India, but the trend is a moderate one and is not expected to undergo any early or rapid developments of importance.

TYPES OF WHEAT PRODUCED

A wide range of varieties and types of wheat is produced in India. Chief among these are *Triticum vulgare* and *Triticum durum*. The former is commonly found in northern areas, and the latter in the more central and southern wheat-growing districts. Emmer wheat (*Triticum dicoccum*) is peculiar to parts of Bombay Presidency, while dwarf wheats (*Triticum compactum*) are found in the Multan district and southwest Punjab. The most important individual type of wheat produced in India is known as "Punjab 8-A," which is grown in Lyallpur, Multan, Montgomery, and adjacent areas. As is evident from the description, this is one of numerous "improved" varieties of Indian wheat which in acreage sown accounts for an increasingly large proportion (now some 20 per cent) of the total devoted to wheat.

Hard and semi-hard (*vulgare*) white wheats are of much greater importance than durums or other types. Durums are estimated to make up slightly over 8 per cent of an average year's crop, while other similar varieties are of small commercial importance. Of the species *vulgare*, soft or semi-hard white types are generally in favour owing to their large yield, and red types are apparently giving way to these more profitable varieties.

It is interesting to note, in this connection, that some of the most successful experiments in the production of new varieties of wheat carried on at the Central Experimental Farm in Ottawa about the beginning of the present century involved the use of several Indian wheats.

SEASONS

Indian wheat would be described in Canada as a winter crop since, although the dates of seeding and harvesting vary considerably throughout the country, the bulk of the crop is sown in November or December, and after three to six months, depending on location, harvesting operations can be begun. In the warmer districts of Bombay, for example, the crop is harvested by the end of February, which is towards the end of the cool and comparatively dry season when temperatures seldom fall below 65°. Farther north the season is less advanced, and the crops may not be ready for harvesting until April or May. The bulk of the year's crop is, however, generally collected and in store by the end of May of each year.

DOMESTIC TRADE

A large proportion of the Indian wheat crop is retained by the growers for consumption. The percentages vary considerably from year to year according to market prices, local tastes, the prevalence of indebtedness, and such practices as the bartering of grain for other necessities. In general, however, it is estimated that almost 50 per cent of each crop is retained in the villages, slightly over 25 per cent of this amount being for seed purposes and the remainder being used almost exclusively for food. The balance, averaging some 5,000,000 tons, is distributed throughout the country and is normally consumed by a number of roller mills and by many small plants making *ata* (whole meal), *suji* (coarse semolina), and *rawa* (fine semolina). It has been estimated that some 2,000,000 tons of this total available amount are crushed in small hand-driven "chakkis" and a similar quantity in power-driven plants. The remaining 1,000,000 tons are purchased by the larger roller mills while, as is noted later in this report, it is on rare occasions only that export trade accounts for more than negligible proportions of the Indian wheat crop.

EXPORT TRADE

There is such a consistent demand for wheat in India that, despite extensive production, this country has never figured prominently in world trade in this grain. An explanation of this is found in the vast population (350,000,000) and its density even in those areas where wheat is one of the principal crops, while the primitive habits and peculiar tastes of the people, quite apart from a lack of organization and cohesion in the wheat trade, may be added reasons for this situation. For many years prior to 1937-38 India's maximum wheat exports were far below the record of 300,000 tons (10,500,000 bushels) established in 1927-28, while in 1933-34, for example, they were only 2,060 tons. During the fiscal years 1936-37 and 1937-38, exports amounted to 231,505 and 459,806 tons respectively, while for the twelve months ending March, 1939, they stood at 279,181 tons.

The phenomenal increase in exports in 1937-38 was due to the abnormally heavy crop of that year and to keen demand in the United Kingdom and German markets and, although the last three years' exports have now aggregated some 970,000 tons, it is not expected that these recent trends in wheat export trade will be of long duration. India does not export wheat except when world prices are high and when other grains, such as gram and barley, can be purchased for less than the market price of wheat, nor is it to be expected that India will ever offer serious competition to the principal wheat-producing countries except under unusual conditions and for a limited time.

India's limited exports have gone almost entirely to the United Kingdom market, although small shipments have at times been made to Germany. Practically the whole of the business is handled in the port of Karachi, but small amounts are credited to Bombay. Exports from Calcutta are rare, shipments being made only when stocks which would normally be used for milling can be sold abroad at profitable figures.

The following table shows the volume and destinations of India's wheat exports during the years 1933-34 to 1938-39, exclusive of limited quantities exported by land to Afghanistan, Kashmir, and other destinations.

Exports of Wheat from India

	United Kingdom	Germany	Other	Total
	Tons	Tons	Tons	Tons
1933-34.. . . . .	.....	.....	2,060	2,060
1934-35..	8,612	.....	2,350	10,962
1935-36..	6,955	.....	2,635	9,590
1936-37..	209,856	9,803	11,846	231,505
1937-38..	290,237	148,004	21,565	459,806
1938-39..	205,596	47,637	25,948	279,181

FLOUR-MILLING INDUSTRY

Reference has been made above to the large consumption of wheat on the part of small mills engaged in the production of whole meal, semolina, and various other local types of flour. No accurate records are available regarding these establishments. It is estimated that some 16,000 power-driven plants are in operation and their use is extending throughout all wheat-growing districts. Comments under the above heading must accordingly be restricted to a brief review of the roller-mill industry, which consumes as a raw material not more than 20 per cent of the quantity of wheat sold in the open market each year.

The flour-milling industry in India, considered on this basis, is a small one. Statistics for the year 1937, which are the most up-to-date available, indicate that 74 mills were in operation during that year, 21 of which were in the Punjab, 11 in the United Provinces, 10 each in Bengal and Bombay, and 9 in Sind

Province. Bengal mills are in general of considerably greater capacity than those in other parts of the country, five mills of average capacity being located in Calcutta as compared with two in Bombay and Karachi and one each in such cities as Delhi, Cawnpore, and Lyallpur. The annual capacity of all Punjab mills is estimated to be in the neighbourhood of 500,000 tons, that of Calcutta mills 360,000 tons, and that of mills in the United Provinces 280,000 tons, the total for the whole country being some 2,000,000 tons.

India's roller mills manufacture a wide range of products from high-grade baking flour to low-quality *ata* and bran. Those situated in the principal ports, including several large establishments under European ownership and management, are engaged not only in the production of high-grade flour for the baking trade which caters to the European population and a part of the Indian community but are concerned as well with the milling of the lower grades for export to adjacent markets and for the manufacture of *ata* for domestic consumption. The great majority of all the large mills, while possibly engaged to a limited extent in the manufacture of white flour, are mainly interested in the manufacture of *ata* and other wheat products in demand by the general population.

FLOUR EXPORTS

Considerable quantities of Indian flour are exported to adjacent markets. Burma is outstanding among consumers of this product and in 1937-38 and 1938-39 purchased 27,292 tons and 24,862 tons respectively. Arabia, Aden, the Straits Settlements, the Anglo-Egyptian Sudan, and Kenya also figure prominently as outlets for this export business. The value of this trade parallels that in wheat but shows less violent fluctuations. Exports have fallen off to 50 per cent or less of the totals for pre-war years, but statistics of recent trade show a gradual increase from Rs.1,637,493 in 1933-34 to Rs.8,945,696 in 1937-38 and a slight falling-off to Rs.7,780,328 in 1938-39. The quantities involved were 12,536, 62,226, and 60,819 tons.

BAKING TRADE

The baking trade in India defies definition. So far as most of the Indian population is concerned it is comprised of innumerable small shops which make *chapatis*, a biscuit or cake resembling a pancake, which is the staple article of diet of many millions of Indians and is eaten with pickles and a variety of condiments. No records of this trade have or probably ever will be collected but its consumption of *ata* and *maida* (flour) must be very large.

Bakeries, as understood by a European, are limited to a small number of firms in the larger cities, regarding which no detailed information is available. If it is appreciated that the total number of Europeans in India is no larger than in an average Canadian city and that the demand of the Indian population for white bread is very limited, the restricted scope for such business will be understood. Such modern bakeries as are in operation are generally under European ownership, and their products are of average quality.

An important development in this trade, or closely associated with it, has been the increase in the manufacture of biscuits and confectionery. Both Calcutta and Bombay support several biscuit factories whose products have supplanted to some extent similar goods formerly imported from abroad, and the probable expansion of this industry will afford an improved market to local flour mills.

Macaroni and various other foods in which wheat is the principal constituent are also made in local establishments. Macaroni production is principally confined to the Punjab, while a limitless range of similar goods is made throughout the different parts of the country.

WHEAT IMPORT TRADE

As will be understood from foregoing references to production and export, India is not to be regarded as a market for foreign wheat. Since 1900-01 total imports of wheat into this country have amounted to 2,459,000 tons, and it has been only in seven of these years that the trade has amounted to more than 100,000 tons. In many years there have been no imports or they have been less than 10,000 tons.

As compared with exports, local purchases of this grain from abroad have been extremely small. During most of the early years of the century, exports varied from 500,000 to 2,000,000 tons and, although the trade has now fallen off to much smaller figures, India is still an exporter of wheat rather than an importer of stocks from overseas.

Imports are drawn almost exclusively from Australia, the Commonwealth having supplied practically 100 per cent of India's limited requirements during recent years. Geographical proximity and favourable shipping services and freight rates have had an important influence on this trade, and Australian wheat is generally adaptable to local requirements, since it is more closely comparable with the local product than the harder Canadian varieties. It is also obtainable at lower prices, on either an f.o.b. or c.i.f. basis, than those normally quoted by Canadian exporters. Small quantities of wheat which are unrecorded in Indian trade returns are also imported over the northern and western land frontiers. The quantities involved are estimated, however, to be generally less than exports by these routes.

A major proportion of the wheat which is occasionally imported into India is for use in the larger roller mills. This fact is obvious from statistics of imports, which show that the trade is through Calcutta and, to a smaller extent, Bombay, although in times of short local supplies the excessive cost of shipping stocks by rail from Central and Northern India results in such increases in Calcutta market quotations that import trade is automatically encouraged. A further factor affecting the trade is that the roller mills can utilize foreign wheat more readily and with less apprehension and disruption in their processes and sales than the small country mills.

The qualities of all the more important grades of wheat consumed in world markets are generally appreciated by the leading importers, mills, and bakers in the larger cities in India. This appreciation, however, has no influence on the universal demand of the Indian market that imported goods should be the cheapest available. Australian wheat is imported because it is cheaper than Canadian, and until Canadian supplies can be landed at Indian ports at competitive prices there are no prospects of sales being made in this market.

Import transactions are customarily handled by offices of large grain dealers with world-wide connections as well as by purely local concerns. Contracts are in most instances based on the requirements of flour mills and deliveries made directly to them. The amount of business done with Indian grain merchants is very small.

Imports of wheat into India for the years 1933-34 to 1937-38 are shown in the following table; figures for 1938-39 are not available:—

Imports of Wheat into India

	Australia Tons	Iraq Tons	Arabia Tons	Other Tons	Total Tons
1933-34	18,277	21	..	..	18,298
1934-35	7,433	....	..	..	7,433
1935-36	13,032	....	34	..	13,066
1936-37 . . . . .	....	117	..	..	117
1937-38	19,618	1,906	141	23	21,688

FLOUR IMPORT TRADE

The import of wheat flour into India is limited to extremely small amounts. In 1938-39, for example, the trade amounted to only 163 tons, although on rare occasions it has exceeded 1,000 tons. Practically all of these imports have come from Australia. Canada and the United Kingdom have, however, participated in the business on rare occasions.

The flour-milling industry in India, so far as baking grades are concerned, is capable of meeting all normal market requirements and will presumably continue to utilize domestic wheat and some foreign wheat in its future operations to the exclusion of flour of other origins. As already noted in connection with the wheat import trade, high-grade flours are not required in this market, nor will anything but the smallest premium be paid for them. Imported flours are accordingly placed at an initial disadvantage, which is increased to an important extent by the almost unsurmountable difficulty of keeping them in sound condition in the hot and humid climate which is common to most parts of the country. It appears, therefore, that average qualities produced by local mills must continue to monopolize all local demand for this product.

Imports of wheat flour into India for the years 1933-34 to 1937-38 were as follows; details of shipments by countries of origin for 1938-39 are not yet available:—

Imports of Wheat Flour into India

	Australia Tons	Canada Tons	United Kingdom Tons	Other Tons	Total Tons
1933-34	5	44	9	23	81
1934-35	96	..	42	30	168
1935-36	328	..	..	39	367
1936-37	1,042	..	8	29	1,079
1937-38	147	9	1	11	168

IMPORT TARIFF

The Indian Government has found it desirable at various times to impose duties on wheat imports. In a country where production is generally comparable with demand this action may appear superfluous, but such regulation of the trade has been designed to maintain prices in the home market for the benefit of the population in the larger wheat-growing areas, and the duties have seldom been high or the rates maintained at these levels for any protracted period. In 1931, for some time prior to which both wheat and flour were admissible into India from abroad free of duty, the Government imposed a tariff of Rs.2 per cwt. on wheat and of Rs.2 8 annas per cwt. on wheat flour. Imports had been increasing, and the move was essential to prevent a collapse in the domestic price situation. Four years later these rates were reduced to a common level of Rs.1 8 annas per cwt. and a further reduction to Rs.1 was made in 1936, which rate was abolished after statutory expiry on March 31, 1937.

Subsequent developments in the tariff situation include the classification of wheat flour with other flours under a tariff item which provided that these goods should be dutiable at a rate of 25 per cent ad valorem, while the position since December 7, 1938, is that both wheat and wheat flour of whatever origin are dutiable at Rs.1 8 annas per cwt. when imported into this country. The situation involving the reimposition of this rate was similar to that prevailing in 1931 and is referred to briefly in a subsequent section of this report.

GOVERNMENT ASSISTANCE TO THE WHEAT TRADE

One of the cardinal policies of the Central Government and of various provincial governments in India is to encourage improved standards of living among

the peasant population. These have taken practical form in the establishment of the Imperial Council of Agricultural Research and the Agricultural Marketing Board, both of which organizations have expended considerable effort on the improvement of wheat production and in the efficiency of selling and distributing methods in the wheat trade. In a country where large numbers of the agricultural population are uneducated, burdened with debt, and bound by superstitions and other ties to age-old methods of farming and business, this work cannot be expected to show results for many years or to more than a limited degree, but that it will eventually exercise a beneficial influence on the trade is beyond question.

In other directions too, various provincial governments have assisted in the development of India's wheat trade. Seeds of improved varieties are distributed from experimental farms and demonstration stations, while advice regarding production methods and marketing is available from the same sources. The large expenditure on barrages and dependent irrigation schemes is another example of official co-operation, as are the regulation of inland freight rates and the dissemination of advice on marketing practice.

1939 WHEAT CROP

It was officially announced on August 17 that the current season's wheat crop was estimated at 9,927,000 tons as compared with the 1937-38 total of 10,764,000 tons. Acreage sown (35,289,000) was only slightly below that recorded in 1937-38, but several important areas in the Punjab and United Provinces experienced a severe drought during the growing season, which accounts for the decline in the quantity actually harvested. It was thought for a time that the outturn might be as much as 20 per cent less than last year, but climatic conditions took a turn for the better at a critical period, and the country was saved from what undoubtedly would have been a major disaster.

In early December, 1938, when it was generally believed that the crop would be a failure, importers and mills were active in planning and completing purchases from abroad. This trend was checked by the reimposition of the duties of Rs.1 8 annas per cwt. on both wheat and flour, already referred to, but imports of wheat in January, February, and March were abnormally large, amounting in these three months alone to 86,000 tons. The business then slackened off considerably, but from January to July has still aggregated 126,000 tons. The corresponding total of flour imports is 154 tons.

Early in September (1939) the wheat market exhibited the inevitable nervousness and uncertainty occasioned by the outbreak of war, and prices increased considerably. Similar tendencies in world markets may again lead to exports from this country if regulations and shipping facilities permit, but in view of local quotations now having risen to 30 per cent over those of a year ago, this trend appears improbable.

MARKET FOR CANADIAN WHEAT AND FLOUR

India cannot be regarded as a promising market for Canadian wheat and wheat flour. As already indicated, this country can be fairly described as self-sufficient so far as these products are concerned, while the characteristic excess of exports of both commodities over import trade in them serves to emphasize this point. It is also to be noted that in years of poor crops or when for any other reason this market may require limited supplies of foreign wheat, these are traditionally imported from Australia at lower prices than can usually be offered by other suppliers, and Australian grades are eminently suited to local demand.

Experience has shown that the superior baking qualities of Canadian flour are appreciated by numerous local mills and baking concerns, but such buyers will not pay more than the smallest premium for them. Justification for this attitude can be readily found in the unusually small and generally indifferent demand throughout India for white bread and in the insistence of both the bakeries and the individual consumer on the lowest priced materials and products obtainable.

Occasional sales of wheat to Indian buyers may prove possible at times, such as the early months of the present year, when local stocks had been partially exhausted through abnormally large exports and when prospects of the next season's crops were unfavourable. These can never be of more than rare occurrence and the business involved is not likely to be large. Business in flour can seldom be anticipated, although limited sales may be arranged with some of the larger bakeries when Canadian quotations are reasonably well in line with Australian as well as local prices.

Burma¹

Burma is one of the principal rice-growing countries in the world, but production of other cereals is small and, even though no statistics or other records of wheat output are known to exist, it may be said that this crop is very small. This is believed to be due not only to a climate and terrain which favour rice production, but also to the additional preference for a rice diet which results, no doubt, from convenience as well as from the close association between the Burmese and the peoples of South China, Thailand, and Malaya.

Exports of wheat from Burma are recorded in official returns as 374 tons, 1,872 tons, and 169 tons during the years 1935-36, 1936-37, and 1937-38 respectively. Most of these exports were to the Indian market, but small shipments were also made to Hongkong and the Straits Settlements. Imports during the same years, all of which originated in India, were 3,288 tons, 1,966 tons, and 4,668 tons respectively. These stocks are presumed to have been for milling in small plants, no roller mills having been established in Burma to date.

Flour exports amounted to 117, 126 and 108 tons respectively during the same three years. Most of these shipments were destined for the Straits Settlements and India, although some shipments were also made to Hongkong. With respect to the flour import business, the Burma market is of some interest, as indicated in the following table showing imports into Burma of wheat flour for the years 1935-36 to 1937-38 by countries of supply:—

Imports of Wheat Flour into Burma

	India	Australia	Straits Settlements	Other	Total
	Tons	Tons	Tons	Tons	Tons
1935-36	24,071	317	22	5	24,415
1936-37	25,845	967	22	2	26,836
1937-38	25,138	2,289	25	26	27,478

The preponderance of India as a supplier of Burma's requirements of wheat flour is obvious from the foregoing figures, but it should be noted that stocks will be required from other countries whenever Indian quotations are high or when there is any shortage of exportable stocks in that country. In general the market does not call for high grades, and the outlook for the development of Canadian business is accordingly one where sales can only be effected at such times as prices are unusually favourable.

¹ A report entitled "The Burma Market" was published in *Commercial Intelligence Journal* No. 1834 (March 25, 1939).

Under the terms of the India-Burma trade agreement, Indian wheat and flour may be imported into Burma free of duty. When originating in other countries, wheat imports are free of duty, but an ad valorem rate of 25 per cent applies to imports of wheat flour. As long as the agreement remains in force it is clear that Indian supplies must continue to monopolize the bulk of Burma's demand for these products.

Ceylon¹

Ceylon, like Burma, is not a wheat-growing country, nor does it provide a market for anything but limited quantities of wheat and wheat flour. During the calendar years 1937 and 1938, wheat imports amounted to 5,000 tons and 3,000 tons respectively. Practically the whole of these supplies were from Australia, the small remainder coming from India. There were no exports. The flour trade is of greater importance, imports during the same two years having amounted to 14,300 tons and 15,700 tons respectively. Of these amounts Australia supplied some 75 per cent in 1937 and 94 per cent in 1938, the balance having originated almost exclusively in India.

The Ceylon market, although a small one, is more receptive to imports of wheat and flour from Canada than is either India or Burma. The Ceylon customs tariff provides for a preferential duty of 50 cents (about Canadian \$0.15) per 112 pounds on Canadian and other British wheat as compared with a rate of double that amount applicable to imports from non-British countries. There is no preferential duty on wheat flour, imports from all countries being subject to a rate of Rs.2 (about Canadian \$0.60) per 112 pounds.

Canadian flour has been sold to Ceylon at various times in the past, but during the last four years has been so much higher in price than Australian that business has proved impossible. As in both India and Burma, price rather than quality is the deciding factor in the trade, and it is likely to be only on those occasions when Canadian offers are strictly competitive that a revival in this business can be expected.

WHEAT AND FLOUR MARKETS IN MIDDLE ASIA

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Singapore, September 7, 1939.—Rice is almost the sole grain crop and the staple diet of the 85,000,000 people in this territory, which comprises British Malaya, Thailand (Siam), and Netherlands India. Wheat flour was first introduced to meet the needs of the relatively small European and Chinese populations, but its consumption has increased as the natives and non-indigenous Oriental classes have developed a taste for a more varied diet and have acquired the income with which to satisfy it. It should not be assumed, however, that wheat flour will ever replace rice. The masses of the people not only prefer rice but they could not afford to make imported flour a part of their regular diet. For the majority, a cake or small bun made of wheat flour is a rare luxury. For the more well-to-do Asiatics rice is still the principal foodstuff but, depending upon their income, they can afford to supplement it with imported foods and locally made products in which flour is used.

Wheat

DOMESTIC MILLING

There are many small mills in the Middle Asia countries producing tapioca, rice, sago, soya bean, and other types of flours, but it would hardly be correct to say there is a domestic wheat-flour milling industry. The half-dozen small mills

¹ A report entitled "The Ceylon Market" was published in *Commercial Intelligence Journal* No. 1803 (August 20, 1938).

operated by British Indians in Malaya could not be considered an industry in the accepted sense of the word, especially as their production has little effect on the trade in imported flour. They mill a coarse meal from hard, red, Indian wheat, and the product is consumed in the form of cakes or as a sort of porridge by the 650,000 British Indians resident in Malaya.

IMPORTS

The import statistics corroborate the foregoing comments concerning the unimportance of the wheat-milling trade. Imports of wheat into British Malaya in the past four years, with main sources of supply, were as follows, values being shown in Straits dollars and quantities in metric tons of 2,204 pounds:—

	1935		1936		1937		1938	
	M. Tons	S\$	M. Tons	S\$	M. Tons	S\$	M. Tons	S\$
Canada . . . . .	...	....	30	1,829	...	....	...	....
Australia	563	30,393	114	8,925	3	394	17	1,044
British India	409	35,013	261	22,762	410	42,814	444	42,768
Burma	15	1,071	18	1,161	11	1,055	15	1,132
Other British possessions . . . . .	...	....	...	....	22	1,774	24	2,406
Total	989	66,708	455	34,935	457	46,987	502	47,621
Canadian \$* . . . . .	...	36,689	...	19,214	...	25,843	...	26,192

* Conversion at the rate S\$1 equals \$0.55 Canadian.

Figures of imports by countries of origin in 1934 are not available, but the total was 1,012 tons (S\$59,994, or Canadian \$32,997), while the total quantity imported in 1938 (502 tons) was only half that of 1934, the value has not shown a proportionate decline, and British India has become almost the sole source of supply. About 70 per cent of these imports are for the small mills in Singapore and the balance for Penang.

No statistics are available of the imports of wheat into Thailand (Siam). The quantity is negligible, possibly nil.

Imports of wheat into Netherlands India are of even less importance than in the case of British Malaya, as the table hereunder shows:—

	1934	1935	1936	1937	1938*
Total quantity in tons	12.2	12.3	37.2	12.6	11.9
Total value in guilders	820	738	2,432	1,494	820
Canadian \$†	451	406	1,338	822	451

* Java and Madura only. † Conversion at the rate one florin or guilder equals 55 cents Canadian.

In the above table it will be noted that figures for the entire Netherlands Indies are not available for the year 1938. However, imports of wheat into Java and Madura account for about 60 per cent of the small annual importation into the whole of Netherlands India.

Flour

While there is a certain uniformity of conditions in the domestic baking trade of this territory, it will possibly present a clearer picture if each country is dealt with separately. However, there are a few important factors common to all parts of the territory as follows:—

(1) Australia being the closest source of supply, flour from that country was the first to be introduced on an important scale into the Middle Asia area. The users are therefore thoroughly familiar with its quality and characteristics, and the baking methods that have developed have taken no other types of flour into consideration. There is a prejudice in favour of Australian flour by reason of greater familiarity and the conservatism of the users which results from their limited knowledge of baking practices in other parts of the world.

(2) Proximity to Australia renders possible delivery of supplies within three weeks after an order is received. The freight rate from East Australian

ports to, say, Singapore, is 30 shillings (Australian depreciated currency) per ton, and from West Australia 55 shillings, as against the equivalent of 42 shillings (sterling) from the Canadian West Coast. All shipments of Canadian flour to this territory are from Vancouver. Coupled with Australia's proximity to the market, and lower freight rates, is the fact that there are ample direct shipping services available between Australia and Middle Asia ports, whereas there is only one regular direct service between Western Canada and this area, and it requires six to seven weeks for the voyage to Singapore.

(3) A further factor which develops from the foregoing is that Australian flour is reputed to keep longer than Canadian in this hot, humid climate. This is not necessarily correct. It is a fact that Australian flour does keep from two and a half to three months in this climate, while Canadian flour, after such a long sea voyage and the consequently greater risk of contamination and deterioration on the ship, keeps for shorter periods. However, there have been cases where Australian flour has developed weevils, within a week, and the general opinion here is that deterioration depends to a great extent upon whether or not the flour has been freshly milled before shipping.

(4) As stated above, the users in this market are familiar with the characteristics of Australian flour; Canadian hard wheat flour is something new to most of them. On examining samples they do not like the creamy white colour as compared with the snowy whiteness of the Australian soft wheat flour. When they experiment with the Canadian flour and follow the same methods as with Australian flour, they find that they do not get good results, and it is most difficult to convince them that the reasons for their failure are that Canadian flour possesses greater absorption and that the dough must be worked harder and proved longer.

It will not be difficult to appreciate that in a climate like this the easiest way is the most favoured. There are few large bakeries with modern machinery; most of the work is done by hand. Thus, if Australian flour is easier to work with, it follows that it is most favoured by the baker. There have been cases where the proprietor of a small bakery has wanted to try Canadian flour. Knowing very little about the technique of baking, he depends upon the opinion of his foreman baker, who naturally has no desire to increase the difficulties of his own work and advises against the use of Canadian flour.

(5) The standard Canadian long bag is not acceptable. Canadian exporters must pack in the Australian type cottons, $17\frac{1}{2}$ inches by $27\frac{1}{2}$ inches in size. This is a condition with which it is not difficult to comply.

(6) Lastly, and of greatest importance, is the fact that Canadian prices have not during recent years been competitive. Australia's lower f.a.s. export prices are rendered even more competitive in the Middle Asia markets on account of the more favourable freight rates, mentioned previously, and during the past few years by depreciated exchange.

In brief, then, attempting to sell Canadian flour in Middle Asia is tantamount to asking the majority of users to buy a product which they really do not want because it is not like the one to which they are accustomed and, moreover, entails harder work and the adoption of different methods; at the same time the users are required to pay a premium of from 25 to 40 per cent.

The position as stated above is true for the bulk of the market. It is however, subject to some qualification, for which reference is invited to the remainder of this report. Some repetition will be noted but it is considered necessary for the sake of clarity.

MARKET IN BRITISH MALAYA

The population figures for British Malaya are a good indication of the character of the market. It is one in which the Chinese demand is of

paramount importance. The total population is 4,781,000, of which only 25,000 are Europeans, 18,000 Eurasians, 2,100,000 Malays, 658,000 British Indians, 56,000 other foreign Orientals, and almost 2,000,000 Chinese.

The total imports of flour amount to approximately 650,000 barrels a year, but of this quantity only from 25 to 35 per cent is used for making bread. The greater proportion—65 to 75 per cent—is used for the manufacture of Chinese foodstuffs of all kinds, noodles predominantly. Hardly any of these foods require fermentation, and it is maintained that Australian flour is best suited for these purposes. It is cheap, pure white in colour, and is easier to work. In catering for a demand of this kind, such sales arguments as baking strength, food value, increased yield and other characteristics of Canadian hard wheat flour are almost nullified. The greater proportion of these Chinese foods are made or purveyed by the hundreds of restaurants, coffee shops and hawkers that are a conspicuous feature of every Malayan town and city. The majority of the patrons of these shops are of the poorer classes, many are coolies, and hence cheapness is the most important consideration.

Another important outlet, especially for cheap qualities of flour, is the manufacture of Chinese sauces. There are dozens of small sauce-making establishments in Malaya. A further small outlet is offered by a set of the Chinese community who practise vegetarianism. They make up their protein requirements by washing the protein content from wheat flour, producing a white powder which is used as a flavouring.

CANADIAN FLOUR UNSUITABLE

Canadian flour has been tried for these various uses, but many reasons why Canadian flour is unsuitable have been presented at every attempt. Even low grades such as clears and cut-offs have been tried without success. Most of the difficulties would prove surmountable if Canadian flour were obtainable at a competitive price.

The British Indians resident in Malaya use imported flour, in addition to their own locally-milled product, for making a type of pancake and other foods. The indigenous Malays eat very few foods containing flour.

Turning to the use of flour for bread-making, it has already been explained that this constitutes only 25 to 35 per cent of Malaya's total demand for flour. At least 60 per cent of the bakeries are operated by Chinese; of the remainder, only three or four are European-owned and the others are run by British Indians. It has been found that the baking methods generally employed are a definite handicap to the introduction of Canadian flour. With the exception of one large European bakery in Singapore, with branches in Kuala Lumpur and Penang, and possibly two or three of the better Chinese bakeries, none of the shops use yeast. The "Parisian Barm" method is generally practised, and only hops are required as an aid to fermentation. A good loaf is obtained, although it has the characteristic honeycombed appearance resulting from these methods, and the bread has a tendency to become sour quickly. It is generally agreed that yeast would not be entirely satisfactory for bread-making in this climate unless the fermentation took place in artificially cooled rooms. This would add to the expense of baking, and could not be afforded by most of the shops.

With normal outside shade temperatures averaging about 88° in the day-time and 80° at night, dough made from Australian flour and fermented by the method described above rises to its maximum in three to four hours, while dough containing an admixture of Canadian flour requires almost twice that time. In his initial trials with Canadian flour, the Chinese or Indian baker usually has unsatisfactory results, the bread being dark in colour and doughy in texture. To obtain the desired results, he finds that he must work the dough

for a longer period, add more water and wait longer for his dough to rise. The actual addition of Canadian flour presents no problem, as he is accustomed to mixing several grades of Australian flour, the better with the less expensive. But when, in addition to paying more for Canadian flour, he is required to work harder and practise different methods, he quickly loses interest in the experiments, even though he be assured of a better loaf.

SALES TO THE DEFENCE FORCES

Special mention should be made of the important outlet for flour provided by the defence forces now stationed in such large numbers in Singapore. A military bakery, equipped with the most modern machinery, was opened in Singapore during May, 1938, to supply the army and air force units. This bakery uses a large percentage of Canadian flour, the business being placed by tender through the War Office in London.

PACKING

The standard Australian-type 49-pound bag is the one generally shipped to Malaya, except in the case of Penang and the northern section of the Peninsula where a 47-pound bag has become the accepted size despite all efforts on the part of importers to return to the standard packing.

IMPORTS

Imports of flour into British Malaya in the past five years are shown hereunder:—

Imports of Flour into British Malaya

	1934	1935	1936	1937	1938
	Tons of 2,240 Pounds				
Canada.. . . .	63	74	71	91	46
Australia .. .	54,445	54,696	55,578	62,524	58,920
British India ..	2,845	3,648	4,106	4,617	5,653
Burma .. . . .	....	39	76	81	19
United Kingdom ..	12	26	24	29	38
United States ..	442	166	116	74	93
Japan	144	437	1,094	456	1
Total	58,020	59,364	61,563	67,983	64,850
	1934	1935	1936	1937	1938
	Values in Straits Dollars				
Canada.. . . .	6,027	6,739	7,037	11,264	6,325
Australia .. .	3,216,946	3,481,843	4,086,623	6,008,647	4,636,667
British India ..	188,751	276,749	337,326	452,156	472,569
Burma	30	3,290	6,086	7,936	1,683
United Kingdom ..	3,690	7,076	6,872	8,770	11,209
United States ..	34,036	17,461	11,633	10,466	10,192
Japan	7,997	27,876	74,239	38,087	165
Total	3,463,390	3,839,286	4,566,308	6,549,242	5,147,413
Canadian \$.. .	1,904,865	2,111,607	2,511,469	3,602,083	2,831,077

It will be noted that imports from Canada were on the increase until 1938, when they showed a decided decline. Increased purchases for the military bakery in Singapore should be to Canada's advantage.

Of the total flour imports into British Malaya, 57 per cent entered the port of Singapore, 30.5 per cent the port of Penang, and 11.5 per cent into Port Swettenham, the port of the Federated Malay States.

DUTIES

There is no duty on flour entering any part of British Malaya.

MARKET IN THAILAND (SIAM)

The total population of Thailand is approximately 14,000,000, of which only 1,800 are Europeans, 500,000 Chinese, 120,000 other foreign Asiatics, and

the remainder native Thais (Siamese). Conditions in Thailand are very similar to those in British Malaya. Increased duties in 1938 did not have the expected effect of reducing flour imports; actually there was an increase. A regular direct shipping service from West Australia discharges large quantities of flour at Bangkok, the capital and chief port of the country, and there is also a large re-export trade in Australian flour from the Straits Settlements ports, Penang and Singapore.

The following table shows imports into Thailand in the years 1934 to 1937 inclusive; total imports in 1938 amounted to 13,015,733 tons valued at 1,267,522 ticals (Canadian \$557,710), but detailed figures of the distribution of these imports by countries of origin are not available:—

Imports of Flour into Thailand

	1934	1935 Tons of 2,204	1936 Pounds	1937
Australia	8,646,022	9,983,624	12,077,844	8,663,929
British Malay States	25,750	8,721	2,164	875
China	225	.....	22,533	194
Canada . . . . .	.....	.....	134	.....
Denmark	5,100	5,100	4,481	26,871
Hongkong	184,826	580,384	1,506,289	319,716
India	134,262	174,356	227,117	234,374
Italy	100	.....	.....	.....
Japan	199,357	344,583	663,499	66,601
Manchukuo . . . . .	.....	.....	.....	181,209
Penang	991,462	992,368	1,272,820	1,360,236
Singapore	387,275	326,205	327,518	518,032
Netherlands . . . . .	.....	.....	.....	1,111
Netherlands India . . . . .	.....	.....	.....	20
United Kingdom	1,184	267	1,184	1,047
United States	4,813	543	95	186
Total	10,580,376	12,416,151	16,105,678	11,377,491

	1934	1935 Values in	1936 Ticals	1937
Australia	632,047	835,739	1,162,140	953,149
British Malay States	1,858	879	210	123
China	9	.....	2,028	21
Canada . . . . .	.....	.....	14	.....
Denmark	1,095	1,105	843	3,590
Hongkong	14,792	47,543	137,935	28,576
India	11,183	14,560	20,469	23,236
Italy	8	.....	.....	.....
Japan	13,457	26,322	55,803	6,868
Manchukuo . . . . .	.....	.....	.....	16,306
Penang	97,521	102,027	146,713	185,165
Singapore	31,771	28,124	33,606	63,612
Netherlands . . . . .	.....	.....	.....	125
Netherlands India . . . . .	.....	.....	.....	5
United Kingdom	999	188	666	322
United States	748	223	68	114
Total	805,488	1,056,710	1,560,495	1,281,202
Canadian \$	354,415	464,952	686,618	563,730

One tical equals 44 cents Canadian at present exchange.

DUTIES

The customs duty on flour entering Thailand is a specific rate of 8 satangs (about 3.5 cents Canadian) per kilogram (2.2 pounds).

MARKET IN NETHERLANDS INDIA

The estimated population of Netherlands India is 65,000,000. Of this number, over 42,000,000 are in the islands of Java and Madura. There are some 250,000 Europeans and Eurasians, 1,250,000 Chinese, and 120,000 other foreign Asiatics; the large remainder of about 60,000,000 comprises native peoples.

Although still of minor importance as a foodstuff, as far as the native population is concerned, imports of wheat flour into Netherlands India have increased from 440,000 barrels in 1920 to 850,000 barrels in 1938. As in British Malaya, a considerable proportion of these imports are manufactured into noodles and similar foods for the fairly large Chinese population, and also to a certain extent for native consumption, especially in the neighbourhood of large centres. It will be noted, however, that the European population is ten times that of British Malaya, and a survey of the market reveals that the larger proportion of imported flour is used for the making of bread, cakes, and other confections for the European and better-class Asiatic trade. There are many more European-owned bakeries in Netherlands India than in British Malaya, and these have established a standard which the smaller Chinese bakeries have had to adopt.

The bread made in Netherlands India is, generally speaking, better than that of any other part of Middle Asia. This fact has rendered possible the introduction of Canadian flour, even though the percentage of imports to the total is still very small. Until 1930, practically no Canadian flour had entered the market. Since that date, with the aid of a publicity campaign directed by the Trade Commissioner's office, imports from Canada have grown until in 1934 they amounted to 13,500 barrels. Due to the more competitive position of Australian flour since that year, imports from Canada have fallen off, but they still amounted to over 9,000 barrels in 1938. Sales cannot be expected to improve until Canadian flour can be quoted at prices more nearly competitive with Australian. The better Netherlands Indies bakers have now had some years of experience in the use of Canadian top and export patent grades in admixtures of from 20 to 40 per cent with Australian flour. They recognize the improvement in their bread when Canadian flour is used and are prepared to pay a reasonable premium for the Canadian quality. But if competition requires economies in the outlay for the raw materials of the bakery, the first saving effected is through reduced purchases of Canadian flour.

SUPPLIES FOR THE ARMY

There is a large military and defence establishment, the chief centre for which is Bandoeng, Java, where a military bakery is located. This bakery is not permitted to use Canadian flour while Australian supplies are obtainable at a lower price.

IMPORTS

Imports of flour into Netherlands India in the five-year period 1934 to 1938 are tabled below:—

Imports of Flour into Netherlands India

	1934	1935	1936	1937	1938
		Tons of 2,204 Pounds			
Australia.. . . .	72,121.2	75,604.5	64,378.3	71,099.0	81,668.8
Singapore	3,301.1	3,149.0	2,626.2	2,846.1	2,077.5
Canada	1,347.7	1,313.3	1,381.5	927.6	918.6
Japan.. . . .	538.9	517.4	1,260.1	823.0	.....
Penang	518.5	692.0	634.0	614.2	393.9
United States	132.3	122.4	105.8	116.9	71.2
Holland	112.5	98.4	49.0	51.3	58.5
British Malaya.. . . .	35.8	51.5	43.9	31.2	.....
British India	21.2	19.4	18.1	54.8	22.0
Hungary.. . . .	.....	26.6	28.2	.....	.....
China.. . . .	.....	.....	803.4	74.3	.....
Hongkong .. . . .	.....	.....	63.2	73.3	.....
Total N. India.. . . .	78,109.5	81,623.5	71,428.7	76,689.3	85,325.5
Java and Madura	48,821.9	53,451.4	44,969.5	45,978.0	51,726.0

Imports of Flour into Netherlands India—Concluded

	1934	1935	1936	1937	1938
	Values in 1,000 Florins				
Australia	4,132.9	4,124.9	3,630.0	6,800.2	7,314.0
Singapore	191.9	173.3	149.8	273.3	187.5
Canada	77.4	71.6	76.5	88.1	82.4
Japan	31.8	28.2	71.0	76.7	.....
Penang	30.1	37.9	36.2	58.4	38.0
United States	7.6	6.7	5.9	11.4	6.3
Holland	10.3	8.0	4.8	6.5	8.2
British Malaya	2.2	3.0	2.7	3.2	.....
British India	1.3	1.1	1.2	5.6	2.1
Hungary . . . . .	.....	1.4	1.6	.....	.....
China . . . . .	.....	.....	45.6	6.6	.....
Hongkong . . . . .	.....	.....	3.6	3.3	.....
Total N. India	4,490.855	4,457.908	4,031.310	7,334.658	7,651.336
Canadian \$	2,469,970	2,451,849	2,217,221	4,034,062	4,208,235
Java and Madura	2,801.176	2,917.274	2,537.093	4,383.090	4,895.873
Canadian \$	1,540,647	1,604,501	1,395,390	2,410,700	2,692,730

One florin equals 55 cents Canadian.

The foregoing statistics show the strong position of Australia in the Netherlands Indies flour market, as in all other parts of Middle Asia. Shipments from Singapore and Penang are re-exports of Australian flour to Medan and other nearby Netherlands Indies centres. While still far behind Australia, it will be noted that Canada is the second largest supplier.

Imports into Java and Madura alone account for about 65 per cent of the total imports into Netherlands India. The principal port of entry is Soerabaya in East Java, where almost 25 per cent of the flour imports are delivered. Other Java ports of importance, with their percentage shares of the total imports shown within parentheses, are: Batavia (14 per cent), Semarang (12), Cheribon (7). In the Outer Possessions the main ports of entry for flour are Medan (8 per cent), Palembang (7), and Padang (2), all in Sumatra; Macassar (5) in the Celebes; Bandjermasin (2) in Dutch Borneo.

PACKING

A packing ordinance requires that lettering of a certain type and size and gross weights in kilograms must be shown. Certain standard weights are established, of which the 22·23-kilogram (49-pound) bag is one.

DUTIES

There are no preferential rates in the Netherlands Indies customs tariff. The value for duty purposes is fixed at quarterly intervals (at time of writing it is 0.065 florin per kilogram), and the duty on this value is 12 per cent. There is an additional statistical duty of 0·25 per cent.

TRADE PRACTICES AND TERMS OF SALE

The greater proportion of flour entering the Middle Asia market is imported by the larger European merchant firms, who have head offices in Batavia, Soerabaya, Medan, Singapore or Bangkok and branches in all important towns. Most of these are thoroughly reliable connections and the usual terms of sale are documents against payment. In isolated cases letters of credit have been established, but this is by no means a practice that should be expected by Canadian firms desirous of exporting flour to these markets. In some cases where the connection is of long standing or where a new firm is trying to enter the market, consignment business on open account is conducted. This practice is not recommended to Canadian exporters.

The large importers dispose of most of their stocks through Chinese dealers who in turn sell to the bakeries and other users, although some of the larger

bakeries buy direct from the import firms. The Chinese intermediary and the ultimate users require terms of credit up to as much as four months, and the carrying of these credits is the principal function of the large import houses.

Some of the larger Chinese dealers from time to time—as in the past two years—import direct under their own brands from mills or exporters who are endeavouring to enter the market and cannot find a large merchant firm free to work with them. Almost invariably this practice has the effect of upsetting the market. The dealers are usually not possessed of sufficient capital to finance the business, and as the stocks arrive they are sold at the current market price, frequently at cost or even at a loss, in order to provide cash for other operations.

Some Australian exporters work through resident manufacturers' agents who operate on a commission basis, usually 1 per cent, plus cable expenses. In some cases this method of doing business is quite successful, but as a rule it provides indifferent representation, as dealers prefer to buy from stock and from firms that can offer the longest credits. Manufacturers' agents operating on an indent basis cannot provide this service; the only advantage they can offer the dealers is a slightly lower price.

BRANDS

The importance of establishing a good reputation for a certain easily recognized brand or "chop" applies in the case of flour as it does in so many other products offered for sale in the Far East. While price is of paramount importance, a well-established brand is a most valuable asset. The semi-illiterate users of flour, having once become satisfied with a certain brand, would hesitate to buy the same quality even at a lower price if it is offered under a different brand. This is another factor, in addition to the other obstacles which have been referred to elsewhere, that renders difficult the introduction of Canadian flour. Once a brand is established, exporters are well advised to register it and never deviate from its design.

CURRENT CONDITIONS AND PRICES

The flour import trade of Middle Asia has not proven attractive to most of those engaged in it during the past few years. Competition has been keen and profits have been whittled to the narrowest margins possible. The price for Australian first grade flour as at September 7 was £7 10s. (sterling) per ton of 2,000 pounds, c.i.f. Singapore. Australian shippers always quote in sterling per short ton, and it would render comparison easier if Canadian exporters followed the same practice rather than quoting in Canadian currency per barrel. The price stated above is indicative of quotations throughout the territory, although in East Java the price is a trifle lower, due to the lower freight rates from Australian ports to Soerabaya.

Mention has not been made previously of the fairly extensive biscuit-making industry in this territory, for the reason that it requires qualities of flour that are not available in large quantities for export from Canada. There are now several of these factories in Java and Malaya. The lower quality of flour imported for this purpose and for mixing with the higher grades for other purposes was quoted at £7 per ton c.i.f. Singapore on September 7.

PROSPECTS FOR CANADIAN FLOUR

If Canadian exporters can quote prices that are more closely competitive with Australian supplies, business of considerable proportions is possible, but this is a most unlikely development at the present time unless Australian currency is raised to a higher exchange level. For the manufacturer of the low-

priced Chinese foods referred to throughout this report the price of flour is of paramount importance, and no amount of sales effort will sell Canadian flour for these purposes if it costs more than Australian.

The relatively unsatisfactory direct shipping facilities available between Canada and the territory, as compared with those available to Australian shippers, should not be overlooked.

As far as the making of bread is concerned, it will be possible to obtain a slight premium in the Netherlands Indies market, but there is a definite limit to the amount of premium Netherlands Indies users are prepared to pay. As long as the price of Canadian flour is such that, allowing for the increased production and improved quality, the cost per loaf containing a percentage of Canadian flour is not more than when 100 per cent Australian flour is used, there will always be an opening for Canadian flour in Netherlands India.

That the position in British Malaya and Thailand is quite different was proven conclusively several years ago. Reference has been made to the successful use of publicity in introducing Canadian flour into Netherlands India. The Trade Commissioner's office adopted exactly the same methods in British Malaya and Thailand as had resulted in business in Netherlands India. Every one of the hundreds of small and large bakeries in British Malaya and Thailand was supplied with a series of attractive circulars in Chinese, Malay, and English, drawing attention to the advantages of using Canadian flour. Inquiries resulted, but trial orders were not followed by repeats, as the bakers of these two countries did not get as satisfactory results as did most of the Netherlands Indies bakers when they made their trials with admixtures of Canadian flour in accordance with the suggestions and advice contained in the series of circulars. The reason for failure in these two markets while fair success attended the efforts in Netherlands India is believed to be the fact that in British Malaya and Thailand the primitive baking methods and lack of machinery render impossible the results promised, while in Netherlands India the more modern methods and greater use of machinery produced very satisfactory results. This leads to the further conclusion that, coupled with a more competitive price and more rapid direct deliveries, sales of Canadian flour in these markets depend to a great extent upon the introduction of machinery and improved baking methods.

Unless these developments take place, and especially until more competitive prices can be quoted, it would be useless to engage in any publicity campaign or educational program designed to acquaint local bakers with the advantages of using Canadian flour in percentage admixtures with the standard soft wheat qualities. Should the price differential be narrowed, however, a further educational campaign would probably result in increased sales in Netherlands India, although it is not likely that any better results would follow in the case of British Malaya and Thailand than were experienced previously.

With respect to the need for education in bread-making and the use of Canadian flour, Middle Asia is possibly in the same position as many other markets. The advice and assistance of a visiting expert baker is required before any real headway may be expected in the face of such conditions.

In conclusion there is one other possibility that might be worthy of some investigation by competent experts. In the section of this report dealing with the wheat market in this territory reference was made to the domestic rice, sago, tapioca, and soya-bean milling industries. Possibly experiments with admixtures of these starchy flours with high protein Canadian flour might produce a formula that could be used extensively throughout this territory, and in other similar markets, for the manufacture of such cheap foodstuffs as noodles or even low-quality bread. Should a development of this kind take place, markets of some considerable value would be opened for Canadian flour.

MARKET FOR FISH MEAL IN THE NETHERLANDS

W. G. STARK, ASSISTANT COMMERCIAL ATTACHÉ

[For ton read metric ton, which equals 2,205 pounds; one kilo equals 2.2 pounds; one florin (fl.) or guilder equals approximately \$0.59 at present rate of exchange]

Rotterdam, November 23, 1939.—The Holland market for fish meal is extremely quiet; offers are scarce and at the moment there are practically no sellers. On the other hand, due to the uncertain international conditions, purchasers are only covering minimum requirements. The latest development is that the Netherlands Government has taken over control of the trade.

IMPORTS

Arrivals of fish meal in Holland in 1938 were greater than in any recent years since 1934. Imports totalled 2,363 tons (fl.2,264,000) as against 20,564 tons (fl.1,957,000) in 1937, 17,988 tons (fl.1,203,000) in 1936, 11,908 tons (fl.806,000) in 1935, and 26,337 tons (fl.2,118,000) in 1934.

Distribution of imports of fish meal into the Netherlands by principal countries of origin in 1937 and 1938 is shown in the following table:—

	1937		1938	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	20,564	1,957	23,363	2,264
Belgium	686	51	754	57
Great Britain	2,312	242	884	96
Norway	4,236	406	5,377	506
Sweden	1,069	111	1,002	111
Portugal	1,410	108	1,317	113
Iceland	6,232	614	8,317	816
Japan	3,604	339	3,320	336
Canada	194	18	766	76
Argentina	486	36	225	17
United States	294	29	1,186	116

As shown in the foregoing table, Iceland was the principal shipper of fish meal to Holland in both 1937 and 1938, followed by Norway and Japan. In 1938 Portugal was in fourth place, and important quantities were also received from the United States, Sweden, Great Britain, Canada, and Belgium. The fluctuation in the volume of meal brought in annually from the Dominion depends more on the price and amount of fish meal offered in this market by exporters than on any variation in local demand for the grades supplied by Canada.

So far imports during the current year do not show much change from the figures for 1938. In the January-October period of 1939, arrivals totalled 18,120 tons valued at fl.1,752,000 as compared with 18,552 tons and fl.1,798,000 for the corresponding ten months' period of 1938. The principal suppliers during both periods were Iceland, Norway, Japan, and Portugal in the order named.

Comparative figures of imports by countries for these periods are as follows:—

	Jan.-Oct., 1938		Jan.-Oct., 1939	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	18,552	1,798	18,120	1,752
Iceland	6,479	635	7,606	717
Norway	4,678	444	3,903	375
Japan	2,517	260	2,004	185
Portugal	1,184	101	1,199	112
Great Britain	589	63	747	84
Sweden	834	92	727	81
Indian Empire .....	....	....	847	85
Canada	715	71	....	....
United States	741	70	....	....

GOVERNMENT CONTROL

The Netherlands Government has recently taken over the control of the fish meal trade and has centralized purchases and fixed maximum prices for

this commodity. As yet the scheme is not entirely completed, but it is expected by the trade that only certain firms will be allowed to offer and sell, these being probably companies that have been operating in the country for a period of years. In the meantime the Government has fixed maximum prices per 100 kilos (220 pounds) as follows:—

	Protein	Oil	Salt	Price per 100 Kilos	
	Percentages			Fl.	\$
Fresh herring meal.. . . .	63	12	3	15.25	9.00
Westland herring meal	60	12	8	13.25	7.82
White fish meal	65	5	3	16.75	9.89
White fish meal.. . . .	60	6	3	16.25	9.59
Codmeal.. . . .	50	3	3	14.75	8.71
Pilchard-sardine meal	60	12	3	15.25	9.00

These prices are on the basis of "delivered terms—Amsterdam/Rotterdam." There is no duty and no compensatory or turnover tax levied on this commodity and as yet Holland has imposed no restrictions on the transfer of exchange for payments to Canada.

DEMAND

For some years past the practice has developed among consumers in Holland of buying only limited quantities of fish meal, which dealers were expected to supply at short notice. Most of Holland's requirements in this product are used for poultry and hog raising, and, due to the difficulty of delivering the products of these industries to the United Kingdom and other principal buyers, the trade in general is rather depressed. During October, 1939, the exports of meat, bacon and lard from Holland have declined by 60 per cent as compared with shipments in October, 1938. Butter, cheese, condensed milk and milk powder exports have dropped off by 30 per cent, eggs by 14 per cent, and poultry by 50 per cent. A large proportion of the live stock for which fish meal is an important feedstuff is located in that section of the country which would be flooded if Holland's waterline defences were brought into use; for this reason purchases of all feeding stuffs are being kept to a minimum.

STOCKS AND SUPPLIES

At time of writing there are practically no stocks of fish meal available in Holland. It is understood, however, that the Government has bought fairly large quantities of Icelandic, Norwegian, and North American fresh herring meal at prices ranging from fl.14 to fl.14.50 (\$8.26 to \$8.56) per 100 kilos (220 pounds), cost and freight Rotterdam. It is reported also that approximately 200 tons of Japanese and Portuguese sardine meal have been purchased at about the same prices.

At present there are almost no offers of fish meal. Except for the quantity mentioned previously, Japan is not yet in the market, as exporters in that country wish to complete their old contracts before entering into new commitments. Icelandic shippers appear to be almost sold out, and the production of Norwegian herring meal has not yet begun, although one or two offers of cod meal are reported from this latter source at prices which are higher than the authorities will pay.

PACIFIC COAST FISH MEALS

Offers so far received by the trade for American sardine and pilchard meals have been considerably above the market. Californian pilchard-sardine meal is reported to be offered at around \$83 to \$87 United States currency per 2,240 pounds, cost and freight Rotterdam, war-risk insurance extra. The difficulty of obtaining freight space and the high prices apparently being paid for fish meal for domestic United States consumption make it appear unlikely that there will

be much movement from the West Coast to this market unless conditions improve substantially. Under present conditions the Netherlands Government cannot buy cheaply enough to put fish meal at the disposal of Dutch dealers at the fixed maximum prices and would consequently have to make up any difference.

PROPOSED PULP MILL FOR MEXICO

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, October 17, 1939.—Mexico imports around 40,000 tons per annum of wood-pulp (sulphite and easy bleaching) for use in the paper-making industry. This has been supplied up to the present principally from the Baltic, although at times, as has been the case during the present year, appreciable quantities have come from British Columbia, when the Canadian product was competitive in price. With war in Europe, and Canada a belligerent, Mexico finds her import trade in this commodity, for the time being at least, disrupted if not entirely cut off, and must therefore develop a means of obtaining this product in order to maintain the paper industry.

"Pipsa" (Productora e Importadora de Papel, S. A.), the semi-government-controlled organization with the sole right to import newsprint, has long been contemplating the erection of a newsprint mill, while the San Rafael mill (Spanish controlled), which is equipped to manufacture newsprint, has delayed doing so for financial and economic reasons. A short time before the declaration of war in Europe, "Pipsa," backed financially by the Government of Mexico, called for tenders for all the necessary equipment for a pulp and newsprint mill. The principal bids were received from German firms who, it is believed, were to be paid on an oil barter basis. However, this deal for obvious reasons has probably fallen through, and new plans must be made.

PROPOSED ORGANIZATION

From information available, the present project is apparently based on plans of "Pipsa," backed by the Mexican Department of Finance, to include the erection of pulp mills, caustic soda plants, and paper mills. Preliminary investigations are reported to have been made, and the Treasury Department is negotiating for the necessary funds. A company, presumably under the direction of "Pipsa," is to be formed with a capital of \$3,000,000 (Mexican currency), of which \$1,500,000 is to be provided by the Federal Government, the balance to be subscribed by the public in shares of \$100, preference to be given to the workers on the principle that they shall share directly in all such government projects for their betterment.

The management of "Pipsa" has under this new scheme been authorized to acquire immediately two new "Springfield" boilers and a turbine from a defunct organization in Mexico, at a cost of \$350,000 for the boilers alone.

OPPORTUNITIES FOR CANADIAN FIRMS

The war has undoubtedly ruled out the possibility of obtaining any machinery or equipment required for this project from German sources, so that Canadian manufacturers who formerly were perhaps excluded from competition because of price and the basis of payment, should now, if the domestic situation permits, be in line to obtain some business, particularly those firms specializing in the type of machinery required. Complete details concerning the equipment required and prices quoted by German firms are available to interested Canadian firms on application to the Department of Trade and Commerce, Ottawa (quote file No. 30874).

CHINA'S IMPORTS FROM GERMANY

M. T. STEWART, ACTING TRADE COMMISSIONER

(In the detailed statistics of the Chinese Maritime Customs the value of imports are given in Customs gold units (g.u.) only. The approximate average equivalent in United States currency of the gold unit was U.S.\$0.67 in 1937 and U.S.\$0.678 in 1938.)

Shanghai, November 14, 1939.—Germany is an important source of supply for a wide variety of manufactured goods purchased by China, and during the calendar year 1938 held third position among suppliers, following Japan and the United States. Imports from Germany into China proper in 1938 were valued at 49,385,000 g.u. as against 64,400,000 g.u. in 1937, the total values of imports into China from all countries being 388,739,000 g.u. and 420,607,000 g.u. respectively. As no comparison between import and export values are made in this report, values in Customs gold units as issued by the Maritime Customs are considered sufficient for practical purposes. However, in terms of Chinese national dollars the 1938 figures would be considerably increased, as the Customs continue to take the import figures at the official rate of U.S.\$0.30, whereas the open market value of the Chinese dollar at the close of 1938 was approximately U.S.\$0.16½, which was the average market rate for the last six months of 1938.

PRINCIPAL IMPORTS FROM GERMANY

Eight main commodity groups account for 47,434,554 g.u. of the total of 49,385,000 g.u. for imports from Germany in 1938, referred to above, and the values for these groups are as follows, with the 1937 figures within parentheses:—

Sundry, 10,715,043 g.u. (9,337,189 g.u.); chemicals and pharmaceuticals, 8,320,827 g.u. (11,084,929 g.u.); dyes, pigments, paints, and varnishes, 6,981,131 g.u. (7,910,887 g.u.); metals and ores, 6,441,580 g.u. (9,825,213 g.u.); books, maps, paper, and wood-pulp, 4,913,463 g.u. (6,530,605 g.u.); machinery and tools, 3,727,239 g.u. (6,875,629 g.u.); miscellaneous metal manufactures, 3,651,335 g.u. (5,465,230 g.u.); and vehicles and vessels, 2,683,936 g.u. (4,527,066 g.u.).

An analysis of the chief component items of the various commodity groups shown above indicates that under "sundry" a total of 8,888,146 g.u. (7,094,005 g.u. in 1937) is credited to miscellaneous goods, n.o.r., which includes imports of armaments, arms, and ammunition. In this group other important items are photographic plates, paper, and films, 517,359 g.u. (596,632 g.u.); cameras, photographic lenses, and accessories, 291,233 g.u. (339,533 g.u.); and office requisites, n.o.r., 176,627 g.u. (249,640 g.u.).

The values of imports of items under the other main groups, with comparative figures for 1937 shown within parentheses, are as follows:—

Chemicals and Pharmaceuticals.—Under this heading sulphate of ammonia is the leading item with a total for 1938 of 3,389,946 g.u. (3,918,272 g.u.); medicines, drugs, etc., n.o.r., 2,343,799 g.u. (2,181,479 g.u.); chemicals and chemical compounds, n.o.r., 1,605,059 g.u. (3,466,406 g.u.); chlorate of potash, 237,080 g.u. (262,402 g.u.); bleaching powder (i.e., chloride of lime), 236,333 g.u. (114,930 g.u.); and explosives for industrial purposes, 164,255 g.u. (337,254 g.u.).

Dyes, Pigments, Paints, and Varnishes.—Aniline dyes and other coal tar dyes, n.o.r., 3,175,789 g.u. (4,047,233 g.u.); sulphur black, 1,251,650 g.u. (933,675 g.u.); indigo, artificial, liquid or paste (50 per cent strength), 1,058,172 g.u. (1,037,014 g.u.), and (not over 20 per cent), 655,297 g.u. (306,203 g.u.); indigo, artificial, dried (60 per cent strength), 327,034 g.u. (548,621 g.u.); and pigments, n.o.r., 189,758 g.u. (453,475 g.u.).

Metals and Ores.—Iron and steel, ungalvanized, bars, 1,082,867 g.u. (1,480,759 g.u.); iron and steel, galvanized, wire, 540,395 g.u. (788,603 g.u.); sheets and plates, black, 3·2 mm. thick and over, 396,781 g.u. (218,353 g.u.); iron and steel, ungalvanized, wire, 390,729 g.u. (93,187 g.u.); iron and steel, ungalvanized, n.o.r., 309,523 g.u. (203,452 g.u.); copper, n.o.r., 303,014 g.u. (213,081 g.u.); pipes, tubes, and fittings, black, 271,505 g.u. (485,078 g.u.); brass sheets and plates, 258,302 g.u. (518,783 g.u.); pipes, tubes, and fittings, galvanized, 231,516 g.u. (339,594 g.u.); aluminium foil, 226,705 g.u. (53,189 g.u.); steel, spring, tool, and alloy, 192,382 g.u. (533,863 g.u.); and iron and steel, ungalvanized, rails, 47,358 g.u. (1,142,111 g.u.).

Books, Maps, Paper, and Wood-pulp.—Paper, common printing and newsprinting (made chiefly of mechanical wood-pulp), 1,981,066 g.u. (3,157,441 g.u.); paper, printing (free of mechanical wood-pulp), 601,457 g.u. (195,794 g.u.); paper boards, 552,037 g.u. (672,161 g.u.); paper parchment, glascine, pergamin, and grease-proof, 357,132 g.u. (368,139 g.u.); paper, packing and wrapping (not including kraft), 260,926 g.u. (386,852 g.u.); tissue paper, 179,342 g.u. (98,851 g.u.); kraft paper, 142,458 g.u. (150,227 g.u.); and paper, n.o.r., 182,869 g.u. (315,031 g.u.).

Machinery and Tools.—Machinery and parts, n.o.r., 1,327,241 g.u. (3,348,785 g.u.); prime movers and parts, 532,934 g.u. (953,791 g.u.); machine tools, 448,673 g.u. (849,916 g.u.); textile machinery and parts, 360,289 g.u. (183,409 g.u.); electric motors and parts, 213,938 g.u. (226,493 g.u.); and hand tools, n.o.r., 209,244 g.u. (318,069 g.u.).

Miscellaneous Metal Manufactures.—Scientific instruments or apparatus, and parts or accessories, n.o.r., 659,976 g.u. (1,519,558 g.u.); electric wire, insulated, 517,249 g.u. (313,346 g.u.); telephonic and telegraphic instruments and parts (not including radio sets and parts), 360,848 g.u. (664,934 g.u.); metal manufactures, n.o.r., 352,362 g.u. (135,384 g.u.); metalware, n.o.r., 333,806 g.u. (677,769 g.u.); electric lamps and lampware, 271,441 g.u. (78,235 g.u.); and electric cables, 203,130 g.u. (477,662 g.u.).

Vehicles and Vessels.—Motor tractors, trailers, and trucks (including chassis), 1,275,129 g.u. (1,859,870 g.u.); motor-car parts and accessories (not including tires and tubes), 264,312 g.u. (99,777 g.u.); ships and boats, and materials (not including those under metals and timber), 220,084 g.u. (28,503 g.u.); railway and tramway materials, n.o.r., 208,912 g.u. (342,382 g.u.); and aircraft and accessories (excluding those for use of army and navy), 129,877 g.u. (53,148 g.u.).

MARKET OUTLOOK

Canada's trade opportunities in the China market have been improved by the outbreak of the hostilities in Europe, but it is rather difficult to determine to what extent advantage may be taken of the present situation. It will be noted from the foregoing import figures that Germany has supplied a wide range of items of industrial equipment and of specialized materials for local manufacturing industry, many of which could not ordinarily be supplied from Canada on a competitive basis in an open and highly competitive market such as China. It remains for the Canadian manufacturer to assess his own export potentialities, and if he finds that he has a surplus production available for export to a foreign market where cheapness is the keynote of trading and where no preferential tariff exists, such products are of interest to the China market. The fact that German supplies are more or less cut off will afford certain higher priced items an opportunity which otherwise would not be available; at the same time other more attractive and stable markets may be open to Canadian manufacturers. It is a truism that almost anything can be sold in China at any time if it is cheap enough.

OPPORTUNITIES FOR CERTAIN PRODUCTS

The one commodity from Canada which appears to be most favourably affected by the present situation is paper: newsprint, printing papers, kraft, and other paper items. Germany, by virtue of her export subsidy arrangements, had captured a large share of the paper trade of China, and the price of newsprint had been forced down to levels that were unattractive to Canadian producers. However, the war in Europe has completely altered that situation and the outlook is now more attractive. The Chinese dealers find paper a convenient speculative commodity, and local prices have been subject to wide variations. Rumours of peace in China persist and expand. In the event of a cessation of the local hostilities, a good market for paper would be immediately opened up.

Chemicals may present an opportunity, particularly sulphate of ammonia and chloride of lime, the imports from Germany of the first item having been substantial. Certain pigments and dry colours may be a possibility and there is a persistent demand for many items in the metals and ores group. Quotations would be of definite interest, but preliminary inquiries indicate that no surplus is available from Canada for the China market.

It is not expected that Canadian export interests will be in a position to profit very considerably in the China market due to the European situation,

as more attractive outlets will be available to them. However, an active and elastic market does exist in China, and quotations and details on quantities available, etc., of any likely commodity will be welcomed and given the most careful attention at the office of the Canadian Trade Commissioner in Shanghai. In view of the disparity in the exchange value of the United States dollar as compared with the Canadian dollar, it is considered preferable to submit quotations to Shanghai on the basis of United States currency.

ECONOMIC CONDITIONS IN CENTRAL AND NORTH CHINA

M. T. STEWART, ACTING TRADE COMMISSIONER

(Except where otherwise stated, all dollar references are to the Chinese standard dollar, the approximate exchange value of which until March 15, 1938, was stable at U.S.\$0.29½ and for the last six months of 1938 and the first three months of 1939 at approximately U.S.\$0.16½. In August, 1939, it reached a low point of U.S.\$0.06¼ and is currently about U.S.\$0.08½. Throughout this report pounds sterling have been converted into U.S. dollars at \$4 equal £1.)

Shanghai, October 23, 1939.—The statistical returns covering the trade of China for the month of September and the first nine months of 1939, which have just been released by the Chinese Maritime Customs, show that interesting developments have occurred with respect to the trade of China during the period under review as compared with the corresponding period of 1938. The rapid depreciation of the Chinese dollar, which reached a low point of U.S.\$0.6¾ in the middle of August, has had a decided limiting effect on imports and, as the fluctuation in the exchange value of the Chinese dollar as compared with United States currency is not fully accounted for in the statistics compiled by the Customs, it is difficult to make a true comparison. Exports are shown by the Customs at their dollar value, and therefore no account need be taken of depreciation; the value of imports is based on the official rate of U.S.\$0.30, which makes it necessary to adjust the import figures to the open market rates of exchange before a true comparison can be made.

The total value of the foreign trade of China for the first nine months of 1939, adjusted to currency depreciation, is shown at U.S.\$328,884,312 as compared with similar periods of 1938 and 1937 as follows:—

	Jan.-Sept., 1939	Jan.-Sept., 1938	Jan.-Sept., 1937
	Thousands of U.S. Dollars		
Imports	257,018	146,611	195,659
Exports	71,866	98,624	163,320
Total	328,884	245,235	358,979
Import surplus	185,152	47,987	32,339

Exports were valued at Chinese \$648,511,202 as compared with \$529,119,555 for the same period of 1938 and \$684,023,133 for the first nine months of 1937, whereas imports, at open market rates, totalled Chinese \$2,319,312,137 as compared with \$786,539,206 for the first nine months of 1938 and \$819,760,890 for the corresponding period of 1937.

China's foreign trade for the first nine months of 1939 showed an increase of 34.1 per cent as compared with the corresponding nine months of 1938, this increase being brought about by an advance of 75.3 per cent in imports and a decline of 27.1 per cent in exports.

The whole of the increase during the period under review is credited to trade in Shanghai; the total trade of that port rose by U.S.\$90,400,000, while in other areas the total fell by U.S.\$6,800,000. Exports from Shanghai made a strong recovery during September and in that month Shanghai accounted for about 57 per cent of the total trade; imports amounted to 52 per cent and exports to no less than 78 per cent of the totals. This is a marked change from

September, 1938, when the value of exports from China outside of Shanghai was double that of exports from Shanghai itself. The altered situation is due to the extension of the Sino-Japanese hostilities over a large area of China. In many districts export trade is languishing, whereas in the vicinity of Shanghai conditions are comparatively peaceful, and exports are showing strong signs of revival, with a marked concentration of import and export trade through the port of Shanghai.

CHINA'S IMPORTS BY PRINCIPAL SUPPLYING COUNTRIES

Following is a schedule showing the imports into China from the chief supplying countries for the first nine months of 1939 as compared with the same period of 1938:—

	Jan.-Sept., 1938			Jan.-Sept., 1939		
	\$1,000	Rank	Per Cent	\$1,000	Rank	Per Cent
Total	667,004	..	100.00	1,068,584	..	100.00
Japan	129,196	1	19.37	245,530	1	22.98
United States	119,563	2	17.93	163,156	2	15.27
British India, incl. Burma	19,755	9	2.96	113,052	3	10.58
Germany	93,415	3	14.00	76,697	4	7.18
Kwantung leased territory	27,746	6	4.16	74,799	5	7.00
Great Britain	57,401	4	8.61	58,553	6	5.48
Australia	15,899	11	2.38	53,737	7	5.03
Netherlands India	32,003	5	4.80	46,263	8	4.33
Brazil	1,214	24	0.18	32,473	9	3.04
Formosa	915	27	0.14	24,486	10	2.29
Hongkong	18,798	10	2.82	23,791	11	2.23
French Indo-China	23,948	8	3.59	22,872	12	2.14

There has been little change in the direction of trade in recent months. Japan, which took the lead from the United States as a supplier to China in September, 1938, still holds that position by a wide margin, and British India, owing to heavy sales of raw cotton to China, remains in third place, imports from that country being valued at nearly double the total imports from Great Britain. The cotton manufacturing industry in Shanghai has imported unusually large supplies of raw cotton from British India due to the fact that the normal supplies of cotton grown in North China are not coming to Shanghai, as owing to the hostilities the acreage planted has substantially decreased and the normal flow of exports interfered with. Until the end of September last, Germany was the fourth largest supplier to China, being responsible for 7.18 per cent of China's imports, but that position must be radically changed due to the outbreak of the war in Europe.

CHINA'S EXPORTS TO PRINCIPAL BUYING COUNTRIES

Following is a schedule showing the relative positions of the twelve leading purchasers of China's products for the first nine months of 1939 as compared with the corresponding period of 1938:—

	Jan.-Sept., 1938			Jan.-Sept., 1939		
	\$1,000	Rank	Per Cent	\$1,000	Rank	Per Cent
Total	560,524	..	100.00	679,931	..	100.00
Hongkong	189,420	1	33.79	151,709	1	22.31
United States	59,218	3	10.57	122,666	2	18.04
Great Britain	39,803	5	7.10	63,698	3	9.37
Japan	90,896	2	16.22	47,632	4	7.01
French Indo-China	10,862	10	1.94	44,602	5	6.56
Germany	41,496	4	7.40	43,976	6	6.47
Kwantung leased territory	23,571	6	4.21	37,674	7	5.54
France	14,291	7	2.55	25,628	8	3.77
British India, incl. Burma	17,648	..	3.15	21,419	9	3.15
Straits Settlements and F.M.S.	12,829	9	2.29	21,181	10	3.12
Philippine Islands	3,901	17	0.70	10,142	11	1.49
Netherlands	6,442	13	1.15	8,161	12	1.20

Hongkong, by reason of its importance as the entrepot centre for export trade from China, continues in first place, although the amount of export trade passing through that port during the first nine months of 1939 was

substantially reduced from the volume for the corresponding period of 1938, and a large portion of the exports that formerly went through Hongkong have been diverted through the port of Haiphong. Exports to the United States increased, but shipments to Japan declined from 16.22 per cent of the total to 7.1 per cent. Exports to Great Britain showed a small increase.

EXCHANGE SITUATION AT SHANGHAI

During the first five months of the period under review, the exchange value of the Chinese dollar was more or less stable at about 8½d., or U.S.\$0.16½, and was supported at this level by the operations of the Exchange Stabilization Fund despite a rapidly rising adverse balance of imports. On June 7 the fund's support of the Chinese dollar was withdrawn and the rate rapidly declined to about U.S.\$0.13¼. It was as low as U.S.\$0.06¾ for cash in the middle of August and is currently quoted at about U.S.\$0.08½. The lower purchasing value of the Chinese dollar resulted in a sharp decrease in imports in September (U.S.\$22.7 million as against U.S.\$31.9 million in August), and it is expected that this trend toward decreasing imports and increasing exports will be accentuated in the coming months, partially as a result of the war in Europe. This will provide a strengthening and stabilizing factor in support of the Chinese dollar. Furthermore, there are persistent rumours of the possibilities of a peace being made between China and Japan, and in the event of this being brought about under favourable conditions, a marked improvement in export trade, which would give further support to the dollar, may be anticipated.

The exchange value of the Chinese dollar strengthened considerably from about U.S.\$0.07 at the beginning of September to about U.S.\$0.08½ at the close, and this has been largely brought about by a strong flow of repatriated capital to Shanghai from Hongkong, Singapore and other centres due to the incidence of emergency taxation and exchange control legislation consequent upon the British Empire being involved in the current European hostilities. It is estimated in banking circles in Shanghai that about £5,000,000 has been brought into the Shanghai exchange market and sold for Chinese dollars in this way within recent weeks, and this alone has been a strengthening factor. The recent firmness in the Chinese national dollar was not anticipated by financial circles in Shanghai, and speculators in exchange suffered severe losses. However, the tendency to firmness provides a stimulus to import trade, and the position of importing interests has altered materially since August when the outlook was very discouraging indeed. Exchange at the present rate restricts imports of non-essential commodities to the lowest level, but the prospects of peace, concerning which there are persistent rumours, are giving a buoyant tone to the financial market, and interesting developments are possible.

It is of passing interest to note that there are no fewer than five different local currencies in circulation. In North China there are the Federal Reserve Bank notes and Japanese military yen. In Shanghai "Hwa Hsing" banknotes are in nominal circulation as well as the Chinese national dollar and the yen. This state of affairs is naturally confusing and highly unsatisfactory, and it is difficult to forecast the final outcome of the currency situation in China, which provides an exceedingly interesting problem to students of finance.

PEACE-TIME PROSPECTS

China is favourably situated to effect a rapid economic recovery provided the Sino-Japanese hostilities can be brought to a favourable and reasonable conclusion in the near future. The remarkable recuperative powers and vitality for which China is proverbial are clearly in evidence, and the war in Europe may be to the direct advantage of China. Japan and China as neutrals are both in a position to profit by the exploitation of foreign markets which offer unusual opportunities at this time, and it is fully realized that a prolongation of the China incident is a futile waste of effort and resources.

The broader aspects of trade, finance and economic rehabilitation are so involved with the urgent question of the cessation of hostilities that until this is achieved little progress is possible. As has been pointed out in previous reports, certain export interests in Canada may expect to obtain an important share of the tremendous market that will develop in China for materials of reconstruction when a peaceful settlement has been arranged.

MOTOR GENERATORS FOR AUSTRALIAN POSTMASTER-GENERAL'S DEPARTMENT

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date November 2, 1939, that from time to time the Australian Postmaster-General's Department calls for tenders for motor generators which have hitherto been imported from Great Britain. A specimen copy of a schedule and specification issued by that department is available for inspection by interested Canadian manufacturers on application to the Department of Trade and Commerce, Ottawa (quoting file No. 13945-2). The type of generator usually required must be in complete accordance with the specification and special conditions attached to this schedule. Interested Canadian firms should state whether similar motor generators have been supplied to postal authorities elsewhere.

Owing to current conditions, there may be some difficulty in procuring supplies from the usual sources, and it would be to the advantage of Canadian manufacturers to furnish full particulars of any equipment of this nature which they may be in a position to supply. If such manufacturers are not already represented in Australia, they are advised to seek the assistance of an Australian firm to act in their behalf in the submission of tenders, etc. The name of a well-qualified Australian firm may be obtained on application to the Department of Trade and Commerce, Ottawa, quoting file No. 13945-2.

TARIFF CHANGES AND TRADE REGULATIONS

Ireland

IMPORT QUOTAS FOR MOTOR VEHICLES, BICYCLES, BROOMS, BRUSHES, MOPS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that by eight Government orders, all dated November 21, 1939, further quotas for importation into Ireland for the period January 1, 1940, to December 31, 1940, have been fixed for the following items at the quantities stated:—

Completely or substantially assembled motor-car chassis, with body or with body shell attached: 120 articles.

Completely or substantially assembled motor-car chassis, without body or without body shell attached: 40 articles.

Completely or substantially assembled motor-car bodies or body shells, imported otherwise than attached to chassis: 60 articles.

Mechanically propelled bicycles: 12 articles.

Certain motor-car body parts: 10 articles.

Brushes, brooms and mops for domestic or household use: 95,000 articles.

Brushes for human and personal use: 92,000 articles.

Other brushes, brooms and mops: 164,000 articles.

For all of the above items the quotas are the same as those fixed for 1939.

Australia

DEFERRED DUTIES

Deferred duties under Item 136F2 of the Australian customs tariff, covering "iron and steel hoop, not elsewhere included in the tariff," that were to have gone into effect on October 1, 1939, have been further postponed until January 1, 1940. At present this commodity is free of duty under the British preferential

tariff and dutiable at 15 per cent ad valorem under the general tariff. Deferred rates are 10 per cent ad valorem under the British preferential tariff and 22½ per cent ad valorem plus 70s. per ton (2,240 pounds) under the general tariff, both rates to increase as present Australian exchange depreciation may be lessened.

[Duties at the above-quoted *deferred* rates are already in effect as regards "iron and steel hoop, including galvanized, 12 gauge (Birmingham sheet gauge) and thicker," and also "bright cold rolled hoop from ¾ inch to 6 inches in width, both sizes inclusive, and from 0.0148 inch to 0.08 inch in thickness, both sizes inclusive."]

IMPORT LICENSING REGULATIONS

With reference to the information on page 1110 of last week's issue of the *Commercial Intelligence Journal* concerning Australian treatment of goods in transit or on order under the new import licensing regulations, Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, cables that a further concession was made respecting ordered goods, namely, that (1) goods in categories A, B or C on order prior to December 1 will be admitted without restrictions if quantities are normal, provided they arrive in Australia not later than April 30, such shipments to be debited against the importer's quota of future and current import licences; (2) goods in category D will be admitted in normal quantities if orders were accepted by overseas suppliers prior to November 1 and arrive in Australia by March 31.

Mr. Cosgrave also cables that import licences issued for the first two months' period are good for eight months as regards imports from European countries, and good for six months as regards imports from other countries.

British Honduras

SURTAXES ON IMPORT DUTIES

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports that surtaxes on import duties were imposed in British Honduras as from November 1, 1939. These taxes will continue in force during the present war and for a period of six months thereafter. Surtaxes on the duties on principal articles of interest to Canada are: 25 per cent of the duty on ammunition and explosives, malt liquors, bicycles and motor cycles, motor tires and tubes, unspecified carriages and parts, clocks and watches, confectionery, electric apparatus other than machinery, cinematograph films of standard width, hosiery of silk and artificial silk, jewellery, musical instruments, silk and artificial silk manufactures, spirits, sugar, manufactured tobacco except cigarettes, wine, manufactured wood, cameras and photographic supplies, typewriters and adding machines; 5 per cent ad valorem on perfumery and toilet preparations excluding perfumed spirits; 2½ per cent ad valorem on motor vehicles, parts and accessories and metal furniture; 50 cents per pound on cigarettes; 15 cents per pound British preferential and 25 cents per pound general tariff on leaf tobacco.

France

DUTY-FREE IMPORTS OF CERTAIN GOODS

Mr. Hercule Barré, Commercial Attaché in Paris, writes that under a French decree published November 11, 1939, no customs duty or other charges will be charged on imports of horses, mules, dried beans, lentils or peas, until June 30, 1940.

Netherlands

EXPORT PROHIBITIONS

With reference to the article in *Commercial Intelligence Journal* No. 1867 (November 11, 1939), page 885, Mr. J. A. Langley, Canadian Commercial Attaché at Rotterdam, advises that a Netherlands decree of November 14, 1939,

prohibits the export of the following additional commodities until further notice: hens, ducks, turkeys, pigeons and geese, live or dead, processed or not, with the exception of *pâte de foie gras*; hens' and ducks' eggs in the shell; frozen eggs without shell; frozen egg yolks and albumen; dried eggs, dried egg yolks and dried albumen; liquid eggs, liquid egg yolks, liquid albumen, processed or not.

ABOLITION OF IMPORT RESTRICTIONS ON HERRINGS

Mr. J. A. Langley, Commercial Attaché at Rotterdam, advises that by a royal decree of November 11, 1939, the restrictions on the importation into the Netherlands of fresh and pickled herrings have been abolished.

Cuba

POTATO IMPORT REGULATIONS

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, writes under date November 22, 1939, that the Cuban Director of Agriculture has requested that Canadian exporters of certified seed potatoes be again advised that seed potatoes of a size weighing less than one and one-half ounce will not be permitted entry into Cuba.

Although this is a regulation of long standing, there have been recent instances of Cuban importers ordering and of Canadian exporters shipping potatoes of less than the above weight.

Henceforward this regulation will be rigidly enforced and, in order to avoid loss through the rejection of shipments, Canadian exporters should adhere to it strictly.

Japan

TRADE CONTROL MEASURES

A memorandum of the Japanese Commerce and Industry Department dated October 24, 1939, establishes export control over potteries, and a memorandum of October 26 export control over dried and salted fish and shellfish.

Ordinance No. 51 of the Communications Department dated November 1 establishes control over the distribution of radio transmitting and receiving sets, and prohibits the importation of radios and equipment except those capable of receiving only within the sphere of frequencies of 550 to 1,500 kilocycles and those specially designated.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

India

The Foreign Exchange Control Board advises of the receipt of a cable from the Reserve Bank of India stating that Indian exchange control rules permit payments for imports into India only in the currency of the country of origin or in sterling. The cable further states that Canadian exporters should not draw bills on India in United States dollars.

Cyprus

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, November 8, 1939.—By virtue of the Emergency Powers (Cyprus Defence) (Finance) Regulations, 1939, published in Supplement No. 3 to the *Cyprus Gazette* No. 2764 of September 8 and effective on the day of publication, no dealings in foreign exchange (all currencies except sterling) are permitted, unless the operation is certified by or on behalf of the Governor to be necessary for the purpose (a) of meeting the reasonable requirements of a trade and business carried on in Cyprus, (b) of performing a contract made before September 3, 1939, and (c) of defraying reasonable travelling or other personal expenses.

There are no restrictions as regards exchange transactions with any part of the British Empire, with the exception of Canada, Newfoundland, Hongkong, and the Anglo-Egyptian Sudan. Exchange transactions may be carried through banks authorized by or on behalf of the Governor to deal in foreign currency. These include all the British banks established in the island, the Ottoman Bank, the Barclays Bank, and the Ionian Bank Limited.

In addition, the regulations referred to above prohibit the export of Cyprus currency notes, sterling, foreign currencies, gold, and securities, and make provisions for the control of capital issues, etc.

Exchange is available in Cyprus for genuine commercial transactions with Canada.

Argentina

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, November 30, 1939.—The import restrictions have been modified again since the outbreak of war so as to permit all countries to compete on an equal basis on a still wider range of commodities, covering mostly certain items that are considered essential to the local manufacturing industries and some classes of goods that were being imported mainly from Germany. However, there is a large number of commodities for which import permits are still not available for countries such as Canada and the United States. The guiding principle in the allocation of permits for importation is to enable importers to buy necessities at the lowest cost possible through making competition open and still oblige them to buy everything else possible or obtainable from Great Britain and France in particular, in order to create sterling credits for the purchase of grain and meats from Argentina.

Germany has been the leading supplier of small and cheap articles such as knives, carpenters' tools, lanterns, brushes, door hardware, household utensils, watches and a wide range of miscellaneous articles. Import permits are now freely granted for this type of goods from all countries; but some of the German goods were of a class and quality that cannot be replaced entirely by higher quality goods from other countries. Germany was also an important supplier of machinery and equipment, and drugs and chemicals. Import permits are also available now for practically all raw and semi-manufactured materials for local manufacturing industries and parts for local assembly plants.

The business outlook in Argentina is rather obscure. At the outbreak of the war, Argentina was faced with the necessity of sharply curtailing imports generally, due to a lack of exchange arising from the short grain crops harvested last season and to low grain prices. Since the first of September Great Britain and France have been placing heavier (than normal) orders for Argentine meats at prices which permit reasonably good returns to the cattle-raising industry in Argentina. On the other hand, grain prices are low. There will likely be quite a large carryover of wheat in Argentina this year; but the new grain crops to be harvested shortly are not too promising, due to excessive rains. Consequently there are reasons for Argentina not only to conserve her supply of exchange, but also to continue to direct her purchases to her best customers.

Netherlands India

Mr. K. F. Noble, Acting Trade Commissioner at Singapore, advises under date October 25, 1939, that no exchange control measures are in operation in Netherlands India at the present time. Well-regarded opinion, he adds, considers that there is little likelihood of such regulations being introduced in the near future.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 11, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 11, 1939, and for the week ending Monday, December 4, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 4	Nominal Quotations in Montreal Week ending Dec. 11	Official Bank Rate
Belgium	Belga	.1001	\$.1834	\$.1829	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2140	.2142	5½
Finland	Markka	.0252	.0200	.0201	4
France	Franc	.0392	.0246	.0246	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0079	6
Holland	Guilder	.4020	.5892	.5892	3
Hungary	Pengo	.1749	.....	.2942	4
	Unofficial		.1954	.1954	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0250	.0251	5
Norway	Krone	.2680	.2518	.2520	4½
Portugal	Escudo	.0442	.0399	.0400	4-4½
Roumania	Leu	.0060	.0078	.0078	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2639	.2641	2½
Switzerland	Franc	.1930	.2489	.2489	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2258	.2005	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0246	.0246	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0246	.0246	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3305	.3304	3½
	Free		.2547	.2536	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0557	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6341	.6328	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.....	.7307	—
	Uncontrolled		.....	.4107	—
South Africa	Pound	4.8666	4.4600	4.4600	—
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0797	.0809	—
Hongkong	Dollar	.....	.2702	.2706	—
India	Rupee	.3650	.3363	.3363	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.3963	.3993	—
Straits Settlements	Dollar	.5678	.5078	.5106	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Sterling free rates at New York showed comparative firmness during the week ended December 11, and the close at \$3.92½ indicated a net rise of 2½ cents as compared with the December 4 quotation. During the same period the Canadian dollar advanced ¼ cent to finish at 87½ cents. At Montreal, French francs eased from 2.47 cents on December 4 to 2.45 cents on the 6th, but subsequently stiffened to 2.46 cents at the close. Dutch florins continued steady in the spot market at 58.92 cents, while Belgian belgas dropped 5 points to 18.29 cents. In the New York forward market both of these units were quoted at severe discounts, 90-day futures being approximately 30 points under spot for the belga and 110 points for the florin. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered at \$4.43-\$4.47 and \$1.10-\$1.11, respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Hat Trimmings (Flowers, Feathers, Buckles, Brooches and Ribbons).....	593	Cape Town, South Africa..	Agency.
Belts, Imitation Leather (Ladies') Socks, Cotton, Wool and Artificial Silk (Men's).....	594	Cape Town, South Africa..	Agency.
Hosiery, Art Silk and Lisle (Ladies').....	595	Cape Town, South Africa..	Agency.
Underwear, Interlock Art Silk and Cotton (Ladies').....	596	Cape Town, South Africa..	Agency.
Knitted Wear (Children's).....	597	Cape Town, South Africa..	Agency.
Bathing Suits (Ladies', Boys' and Children's).....	598	Cape Town, South Africa..	Agency.
Bedspreads, Artificial Silk and Cotton Cloth, also Marcella Weave.....	599	Cape Town, South Africa..	Agency.
Window Blinds of Holland Cloth on Spring Rollers.....	600	Cape Town, South Africa..	Agency.
Commercial Fishing Nets.....	601	Auckland, New Zealand...	Agency.
Manila Ropes.....	602	Rio de Janeiro, Brazil....	Agency.
Canvas Fire Hose, Linen and Jute.....	603	Rio de Janeiro, Brazil....	Agency.
Cellulose Wadding for making Sanitary Pads.....	604	Auckland, New Zealand...	Agency.
Sanitary Diaper Paper Linings...	605	Auckland, New Zealand...	Agency.
Dry Batteries, also Flashlamp Torches.....	606	Auckland, New Zealand...	Agency.
Iron Sheets, Galvanized and Black.....	607	Bristol, England.....	Purchase and Agency.
Steel Wire Ropes.....	608	Rio de Janeiro, Brazil....	Agency.
Railroad Materials of Steel.....	609	Rio de Janeiro, Brazil....	Agency.
Machines for making Baby-carriage Wheels.....	610	Dublin, Ireland.....	Agency.
	611	Dunedin, New Zealand...	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxemburg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

- RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

- ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London:* H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London:* G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

- London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

- London:* ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

- Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

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No. 1873



Canadian Codfish being unloaded from a Lighter in a British
West Indies Port

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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GERMANY'S POSITION IN SOUTH AFRICA'S TRADE

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, November 4, 1939.—The outbreak of war and the accompanying stoppage of commercial intercourse with Germany will leave a gap in the foreign trade of the Union of South Africa which, as far as merchandise imports are concerned, had an average value during the past ten years of close to £4,000,000. In addition Germany was an important supplier of government stores, which are classified separately in the Union trade statistics. In 1938 purchases of these from that source came to slightly more than half the value of merchandise imports from the same country.

Trade between Germany and South Africa was governed by a Payments Agreement, which was in some respects similar to the arrangement which existed between the Reich and Canada. Exports consisted almost exclusively of raw materials, while imports were made up of a wide range of manufactured goods. Many of these are also produced in Canada, and consequently Canadian exporters now have an excellent opportunity of capturing part of the market previously held by Germany.

The United Kingdom has always been by a substantial margin the leading country of origin of South Africa's imports, her share averaging close to 50 per cent of the total. The United States followed in second place, and Germany was third. The relative positions of these three countries and also of Canada as suppliers of merchandise to South Africa during the past five years is shown in the subjoined table:—

Merchandise Imports into South Africa

	All Countries	United Kingdom	United States	Germany	Canada
			Values in £1,000		
1934	63,885	30,726	10,795	3,041	2,492
1935	71,618	34,360	12,697	3,449	2,437
1936	81,099	36,636	15,927	4,302	2,882
1937	97,305	40,866	19,979	5,315	3,420
1938	86,371	37,247	16,537	5,024	3,011

The foregoing figures do not include the values of government stores. There were in 1937 and 1938 noteworthy imports from Germany under this heading, values being respectively £1,469,000 and £2,643,000, thus making the value of total imports from Germany in the former period £6,784,000 and in the latter £7,667,000. Apart from Germany, the United Kingdom is the only other important supplier of government stores.

EXPORTS TO GERMANY

The value of South African exports to Germany have tended to approximate the value of imports from Germany, exclusive of government stores, as the appended figures indicate:—

	Exports to Germany	Imports from Germany
1935	£3,813,884	£3,448,765
1936	2,342,726	4,301,909
1937	5,010,533	5,315,104
1938	5,033,931	5,024,457

Germany was South Africa's principal buyer of wool, having taken in 1938 a total of 88,755,963 pounds of wool in the grease with a value of £3,668,284, which is nearly 75 per cent of the value of all exports to Germany. The loss of this important outlet caused some uneasiness among wool producers during the first few weeks of the war. In the meantime, however, an arrangement was made whereby the United Kingdom was to purchase a much larger volume; in addition, sales to the United States have increased. The other more important exports to Germany included scoured wool, hides and skins, Angora hair, wattle bark, corn, and manganese ore. These commodities collectively represent approximately an additional 14 per cent of the value of all South African exports to Germany, leaving about 11 per cent to be distributed among all other products.

DISTRIBUTION OF IMPORTS

The South African trade returns divide imports into thirteen main groups; the value of imports from Germany in 1938 for each of these is shown in the following table:—

Imports from Germany by Commodity Groups in 1938

Animals, agricultural and pastoral products, and foodstuffs	22,831
Ales, spirits, wines and beverages	25,584
Tobacco	528
Fibres, yarns, textiles and apparel	389,150
Metals, metal manufactures, machinery and vehicles	2,942,717
Minerals, earthenware, glassware and cement	198,506
Oils, waxes, resins, paints and varnishes	77,428
Drugs, chemicals and fertilizers	390,973
Leather and rubber and manufactures thereof	64,822
Wood, cane and wicker and manufactures thereof	23,666
Books, paper and stationery	284,792
Jewellery, timepieces, fancy goods and musical instruments	195,998
Miscellaneous	407,462
Total, all products	5,024,457

As the foregoing illustrates, the metal and metal products group accounts for more than 58 per cent of all imports from Germany. Apart from the miscellaneous classification, which embodies such articles as explosives and photographic and optical apparatus, the other more important groups are textiles and apparel, drugs and chemicals, and books and paper. Tobacco can be disregarded, while the first two groups, agricultural products and wines and spirits, are also of minor consequence.

The subjoined table shows, according to official South African trade statistics, all items imported from Germany to a value of £1,000 or more in 1938:—

Principal Items Imported from Germany in 1938

Group I. Animal, Agricultural and Pastoral Products and Foodstuffs		Group II. Ales, Wines, Spirits and Beverages	
	£		£
Glue	1,923	Ale, beer and stout	5,497
Non-specified vegetable products	1,488	Wine, light	4,954
Vegetable fats	3,226	Perfumed spirits	8,989
Cocoa butter	4,500	Medicinal spirits	1,882
Manufactured sweets other than bonbons and chocolates	2,459		

Principal Items Imported from Germany—Con.

Group IV. Fibres, Yarns, Textiles and Apparel		£			£
Knitted clothing.. . . .	2,799		Mining machinery, battery shoes and dies.. . . .	1,435	
Men's outer garments.. . . .	1,109		Mining machinery, buckets and tip-buckets.. . . .	56,280	
Women's knitted garments.. . . .	13,021		Mining machinery, steel balls for tube mills.. . . .	2,109	
Women's garments, other, including infants.. . . .	108,629		Mining machinery, not specified.. . . .	73,497	
Gloves, fabric.. . . .	6,845		Machinery, printing and book-binding.. . . .	15,092	
Gloves, leather.. . . .	2,625		Water pumps and accessories.. . . .	12,841	
Hats and caps of felt.. . . .	4,437		Sawing machinery.. . . .	3,505	
Hats, ladies, trimmed.. . . .	5,001		Industrial sewing machines.. . . .	1,487	
Hats and caps, not specified.. . . .	1,680		Windmills.. . . .	2,421	
Socks and stockings, cotton.. . . .	4,287		Woodworking machinery.. . . .	4,022	
Socks and stockings, rayon.. . . .	2,290		Ball and roller bearings for machinery.. . . .	4,032	
Socks and stockings, silk.. . . .	2,169		Refrigerating machinery.. . . .	2,262	
Socks and stockings, other.. . . .	3,469		Air-conditioning machinery.. . . .	11,664	
Women's vests, knickers, etc., of rayon.. . . .	8,629		Machinery, not specified.. . . .	4,062	
Filter bags, cloths, etc.. . . .	5,181		Adding and calculating machines.. . . .	4,877	
Blankets and rugs of wool or cotton	9,517		Addressing, duplicating, numbering and perforating machines.. . . .	1,671	
Piece-goods, cotton.. . . .	8,544		Sewing machines, domestic.. . . .	26,744	
Carpets and floor rugs.. . . .	2,330		Typewriters, bookkeeping machines and accessories.. . . .	23,595	
Curtains and curtaining.. . . .	1,200		Scales, balances and other weighing machines.. . . .	1,491	
Imitation upholstery, leather, etc.. . . .	1,526		Machinery, not specified.. . . .	4,814	
Napery.. . . .	3,922		Aluminium foil.. . . .	18,226	
Handkerchiefs.. . . .	1,602		Aluminium products, not including wire, not specified.. . . .	14,858	
Lace and embroidery.. . . .	1,805		Brass and bronze in bars, blocks and ingots.. . . .	1,841	
Minor articles of attire, haberdashery, millinery, etc.. . . .	3,205		Pipes, piping and tubes of brass and bronze.. . . .	2,447	
Ribbons and sashes.. . . .	1,272		Plates and sheets of brass and bronze.. . . .	4,259	
Other soft haberdashery.. . . .	68,590		Manufactures other than wire, of brass and bronze, not specified.. . . .	1,812	
Buttons and studs.. . . .	3,514		Copper bars, ingots and blocks.. . . .	4,724	
Other hard haberdashery, pins, needles, etc.. . . .	7,952		Copper in plates and sheets.. . . .	7,531	
Woven piece-goods of rayon.. . . .	42,523		Copper pipes, piping and tubes.. . . .	18,014	
Shawls of cotton and wool.. . . .	1,982		Non-specified ferro alloys.. . . .	2,011	
Shawls of wool and cashmere.. . . .	5,512		Iron and steel angle channel h. & t.. . . .	4,939	
Textile piece-goods, not specified.. . . .	8,998		Iron and steel, bar, bolt and rod.. . . .	26,147	
Textile and fibre goods, not specified	8,047		Drill steel.. . . .	1,688	
Woollen piece-goods.. . . .	5,295		Hoop iron.. . . .	9,021	
Knitting and darning wool.. . . .	6,446		Wrought iron and steel pipes.. . . .	44,558	
Cotton yarn, spun and twisted.. . . .	6,653		Pipe fittings, cast iron.. . . .	15,313	
Cotton yarn, not specified.. . . .	1,684		Pipe fittings, wrought iron.. . . .	21,705	
Group V. Metals, Metal Manufactures, Machinery and Vehicles			Iron and steel plates.. . . .	3,110	
Cream separators.. . . .	1,032		Tool steel.. . . .	3,221	
Other separators for dairy purposes	6,965		Metal baths.. . . .	15,059	
Binders, reapers and mowers.. . . .	10,215		Bolts, nuts and rivets.. . . .	28,781	
Ploughs, harrows and parts.. . . .	156,431		Chains for hauling.. . . .	6,553	
Presses and pumps, wine.. . . .	2,428		Cylinders for gas or compressed air	1,205	
Kaffir hoes and picks.. . . .	1,588		Cutlery, not plated.. . . .	28,148	
Spades.. . . .	3,904		Spoons and forks, not plated.. . . .	2,566	
Sprayers and sprinklers.. . . .	1,856		Drums, metal.. . . .	49,138	
Farm tractors.. . . .	23,817		Enamelware, not specified, including hollow-ware.. . . .	14,881	
Other agricultural implements and machinery.. . . .	18,043		Hollow-ware, excluding enamelled hollow-ware.. . . .	7,626	
Air compressors.. . . .	16,903		Iron standards and posts for fencing	1,188	
Asphalt mixing plant.. . . .	2,877		Firearms, guns of one barrel.. . . .	14,751	
Boilers for industrial purposes.. . . .	4,664		Firearms, guns of two barrels.. . . .	1,485	
Boot and shoe-making machinery.. . . .	2,052		Pistols and revolvers.. . . .	2,015	
Confectionery-making machinery.. . . .	2,335		Fire escapes, fire extinguishing appliances and apparatus.. . . .	3,560	
Corn and flour-milling machinery.. . . .	1,166		Metal furniture, not specified.. . . .	5,157	
Cranes, gears and lifting machinery	7,587		Lifting jacks.. . . .	1,877	
Electric batteries, primary.. . . .	1,665		Shovels and forks, not specified.. . . .	5,419	
Electric batteries, secondary.. . . .	13,296		Locks, keys, bolts and hooks.. . . .	4,942	
Dynamos and generators.. . . .	4,187		Wire nails.. . . .	3,034	
Motors.. . . .	24,973		Other nails.. . . .	3,992	
Transformers.. . . .	75,325		Screws and washers.. . . .	3,407	
Electrical machinery, appliances and materials, not specified.. . . .	167,998		Light rails for industrial purposes	8,276	
Engines and motors for marine use	2,902				
Oil, petrol and spirit motors.. . . .	7,683				
Traction engines, tractors and parts	16,526				
Factory plant.. . . .	202,396				
Filters.. . . .	3,238				
Industrial machinery, not specified	142,021				
Machinery tools, lathes.. . . .	17,575				

Principal Items Imported from Germany—Con.

Group V. Metals, etc.—Con.	£
Heavy rails.. . . .	6,979
Sleepers, iron.. . . .	10,127
Locomotives.. . . .	49,100
Railway rolling stock.. . . .	21,421
Other railway material, not specified	8,273
Horseshoes.. . . .	2,259
Stoves, ranges and parts, other than electric.. . . .	14,208
Structural steel tanks.. . . .	3,925
Mechanics' tools.. . . .	54,719
Iron and steel for baling and binding.. . . .	3,979
Wire fencing, plain.. . . .	30,132
Barbed wire fencing.. . . .	3,806
Wire netting.. . . .	41,454
Wire rope.. . . .	6,701
Wire, not specified.. . . .	5,327
Manufactures of iron and steel, not specified.. . . .	42,638
Metal capsules.. . . .	4,353
Crown corks, screw caps, etc.. . . .	3,497
Electrical cable and wire.. . . .	117,593
Electrical heating and cooking apparatus.. . . .	23,522
Electric meters.. . . .	3,815
Vacuum cleaners and floor polishers	41,042
Gauze for sieving and screening.. . . .	1,043
Electric-lamp bulbs.. . . .	13,203
Electric shades and reflectors.. . . .	7,846
Household lamps and lampware, not specified.. . . .	20,408
Miners safety lamps.. . . .	7,099
Self-contained lighting outfits.. . . .	1,470
Cocks, taps and valves.. . . .	1,401
Water meters.. . . .	4,207
Radio apparatus and accessories.. . . .	17,296
Wireless telegraphy and telephony instruments and apparatus.. . . .	3,767
Telegraph and telephone material.. . . .	13,125
Brass wire, not specified.. . . .	5,948
Metal manufactures, not specified.. . . .	12,844
Motor vehicles.. . . .	474,591
Brake lining and clutch facings.. . . .	1,387
Motor car parts and accessories, other than tires and lamps.. . . .	27,894
Motor trucks, vans and omnibuses	6,137
Chassis for motor trucks.. . . .	10,475
Parts and accessories for motor trucks.. . . .	14,801
Motor cycles.. . . .	10,817
Aeroplanes and other aircraft.. . . .	53,315
Bicycles, tricycles and parts thereof	18,988
Trailers and parts.. . . .	19,121
Other wheeled vehicles (without motor), not specified.. . . .	1,444

Group VI. Minerals, Earthenware, Glassware and Cements	
Barytes.. . . .	3,827
Assay apparatus.. . . .	1,525
Fire brick.. . . .	21,106
China and porcelainware.. . . .	3,642
Earthenware and stoneware.. . . .	4,147
Porcelain insulators.. . . .	3,986
Sanitaryware.. . . .	1,518
Tiles, flooring, paving and wall.. . . .	62,498
Glass bottles and jars.. . . .	43,897
Glassware for laboratory use.. . . .	4,441
Plain sheet glass.. . . .	1,384
Other glass, not specified.. . . .	7,488
Glassware, not specified.. . . .	18,352
Non-specified manufactures of asbestos.. . . .	1,675
Asphalt and bitumen.. . . .	1,535
Gypsum.. . . .	4,341
Other non-specified mineral manufactures.. . . .	1,104
Abrasive wheels.. . . .	1,475

	£
Abrasive paper and cloth.. . . .	2,615
Grind and scythe stones.. . . .	1,502

Group VII. Oils, Waxes, Paints and Varnishes	
Anti-friction and axle grease.. . . .	2,982
Lubricating oil.. . . .	19,172
Transformer and transil oil.. . . .	6,697
Other non-specified mineral oil.. . . .	3,235
Essential and perfumed oils, other than toilet preparations.. . . .	5,834
Mixed prepared paints.. . . .	2,808
Oxides.. . . .	4,304
Carbon black and vegetables black, etc.. . . .	2,510
Other non-specified paints and colour materials.. . . .	13,378
Painter's preparations, non-specified, including putty insolvents.. . . .	4,354
Resin.. . . .	1,974
Toilet soap.. . . .	1,106
Tar in bulk.. . . .	1,143
Other non-specified oils and waxes.. . . .	3,075

Group VIII. Drugs, Chemicals and Fertilizers	
Tartaric acid.. . . .	5,265
Other non-specified acids.. . . .	4,196
Chloride in bulk.. . . .	1,251
Nitrate.. . . .	85,032
Potassium caustic.. . . .	5,960
Other potassium compounds, not specified.. . . .	5,792
Cyanide.. . . .	14,377
Other sodium compounds.. . . .	4,146
Dyes, not otherwise specified.. . . .	7,582
Carbonic acid gas.. . . .	1,374
Other gases not specified.. . . .	1,759
Potassium in bulk.. . . .	1,511
Magnesium sulphate and carbonate in bulk.. . . .	1,398
Other chemicals including arsenic, arsenious acid and sulphate of copper.. . . .	27,560
Insect powder and other insecticides.. . . .	7,180
Non-specified chemicals.. . . .	13,780
Druggist sundries.. . . .	5,782
Animal glands and tissue and other preparations.. . . .	12,885
Medicinal preparations, non-spirituous.. . . .	49,179
Non-specified medicinal preparations.. . . .	18,501
Medicated oils.. . . .	1,414
Drugs, not otherwise specified.. . . .	58,829
Bone manure.. . . .	6,262
Potash manures.. . . .	38,051
Perfumery and toilet preparations.. . . .	2,496

Group IX. Leather and Rubber and Manufactures Thereof	
Slippers, leather.. . . .	1,108
Leather in the piece, calf.. . . .	14,040
Glace kid.. . . .	22,730
Enamelled and patent leather.. . . .	1,427
Leather horse hide.. . . .	6,768
Other piece leather, not specified.. . . .	4,772
Rubber sheet and sheeting.. . . .	1,268
Rubber manufactures not specified.. . . .	5,706

Group X. Wood, Cane and Wicker, and Manufactures Thereof	
Brushes, except machine brushes and brooms.. . . .	5,888
Wooden furniture, not specified.. . . .	5,683
Veneer.. . . .	1,465
Manufactures of wood not specified	6,548

Principal Items Imported from Germany—Con.

Group XI. Books, Paper and Stationery		£		£
Bags, printed.. . . .	1,771		Jewellery.. . . .	14,216
Cardboard, linenboard and straw-board.. . . .	78,027		Gramophones and parts.. . . .	2,970
Leatherboard.. . . .	2,248		Gramophone records.. . . .	1,502
Newsprint in reels.. . . .	3,918		Pianos and pianolas.. . . .	30,332
Other printing paper.. . . .	86,318		Organs and harmoniums.. . . .	1,925
Kraft paper.. . . .	1,738		Musical instruments unspecified.. . . .	51,562
Greaseproof paper.. . . .	1,222		Sporting goods.. . . .	7,350
Tissue paper.. . . .	3,858		Toys and indoor games.. . . .	26,544
Wrapping paper, not specified.. . . .	3,882		Non-specified tobaccoist wares.. . . .	5,184
Cigarette paper.. . . .	6,231			
Sensitized and tracing paper.. . . .	10,459		Group XIII. Miscellaneous	
Paper and paperware not specified.. . . .	20,675		Dynamite and blasting compounds.. . . .	6,458
Books and music printed and newspapers.. . . .	6,533		Ammunition, cartridges.. . . .	10,086
Printing, lithographic and ruling inks.. . . .	10,085		Detonators.. . . .	118,150
Painting, etchings and pictures.. . . .	4,247		Fuses, other.. . . .	39,377
Picture postcards, Christmas, birthday and other cards.. . . .	1,507		Bioscopes, cinematographs and magic lanterns.. . . .	4,384
Advertising matter.. . . .	7,075		Church decorations.. . . .	1,997
Printed matter, not specified.. . . .	6,525		Cinematograph films, not developed.. . . .	1,475
Loose leaf covers, binders, etc.. . . .	2,874		Scientific instruments and appliances.. . . .	29,724
Stationery, not specified.. . . .	10,467		Surgical and dental instruments and appliances.. . . .	44,852
Stationery other than paper, not specified.. . . .	6,650		Optical goods, not specified.. . . .	2,756
			Packing and lagging for machinery, piping, etc.. . . .	1,359
Group XII. Jewellery, Time Pieces, Fancy Goods and Musical Instruments			Cameras.. . . .	19,712
Beads.. . . .	2,413		Other photographic apparatus.. . . .	19,035
Clocks and parts of tower clocks.. . . .	28,945		Telescopes, binoculars and field glasses.. . . .	2,217
Watches and parts of watches.. . . .	1,344		Tanning extracts.. . . .	9,870
Fancy handbags.. . . .	8,315		School and hospital furniture.. . . .	25,943
Fancy goods not specified.. . . .	12,075		Launches, tugs, lighters, etc.. . . .	1,393
			All other articles of merchandise not specified.. . . .	45,115

GOVERNMENT STORES

The South African Railways and Harbours Administration, which is a state enterprise operating the railways and seaports in the Union, is the principal purchaser of what are known as government stores. As previously noted, Germany in 1938 supplied goods under this heading with a total value of £2,643,394. The principal single item was locomotives and parts valued at £1,249,226, with iron railway ties at £449,014 in second place, and aeroplanes at £293,649 in third.

Particulars of government store imports from Germany in 1938 are subjoined:—

Imports of Government Stores from Germany

	Centals*	£
Boiler tubes.. . . .	12,438	20,696
Cranes and mechanical excavators.. . . .	....	6,386
Motors.. . . .	....	1,669
Industrial machinery, not specified.. . . .	....	9,772
Printing and bookbinding machinery.. . . .	....	3,264
Weighing machines.. . . .	....	1,330
Copper bars, ingots, etc.. . . .	1,417	5,280
Pipes and tubes of copper.. . . .	1,342	5,058
Iron and steel pigs and ingots.. . . .	22,256	7,906
Angle, channel iron, etc.. . . .	27,908	11,863
Bars, bolts and rods.. . . .	85,776	49,674
Cast iron pipe.. . . .	15,488	4,844
Plates and sheets of iron.. . . .	14,560	6,286
Bolts, nuts and rivets.. . . .	75,875	68,946
Rails, light.. . . .	2,966	2,057
Rails, heavy.. . . .	74,072	50,738
Iron sleepers.. . . .	1,324,837	449,014
Locomotives and parts.. . . .	160†	1,249,226
Railway rolling stock.. . . .	....	169,028
Other railway material.. . . .	....	23,550

Imports of Government Stores—Con.

	Centals*	£
Girders, beams and joists.. . . .	144,958	118,976
Telephone and telegraph cable and wire.. . . .	5,075	18,953
Instruments and material, other..	6,488
Parts and accessories of cars..	4,370
Aeroplanes..	293,649
Glassware, not specified..	2,045
Insecticides..	1,242
Printing paper..	8,762
Stationery, not specified..	5,485
Scientific instruments..	1,576

*One cental equals 100 pounds. †Units.

INQUIRIES INVITED

The Department of Trade and Commerce is represented in South Africa by Trade Commissioners in Cape Town and Johannesburg. Canadian exporters who are desirous of studying the possibilities of this market should communicate with either of these officers, giving full details regarding the products they have to offer. Since the outbreak of war South African buyers have shown an increasing interest in Canadian products, especially those which can replace merchandise formerly imported from Europe, and circumstances are therefore particularly favourable for a mutually beneficial increase in trade relationships.

(*Note.*—All figures in this report covering the year 1938 which refer to Germany include Austria except for the first three months of that period, for which separate statistics were published. These showed the value of imports into South Africa from Austria to have been £97,764.)

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on December 15 with regard to the wheat and flour situation in Australia as follows:—

“The latest crop estimate for Australia is 182,568,000 bushels. Difficulty is anticipated in disposing of the exportable surplus, and the position is likely to become acute owing to shortage of adequate storage facilities. The Federal Government is to pay advances of 2s. 10½d. (equivalent to 50 cents Canadian) per bushel on bagged wheat and 2s. 8½d. (equivalent to 48 cents Canadian) on bulk, both less rail freight. These advances are equal to an average of 2s. 6d. (equivalent to 44 cents Canadian) a bushel on bagged wheat at country sidings. Payments are to be made in one amount as soon as practicable after the delivery of wheat to the Wheat Board. No sales of wheat have been made to Great Britain since the purchase of 200,000 tons old crop grain shortly after the war began. A shortage of shipping space is a determining factor in the interest of Great Britain in Australian wheat. A report is current that the Federal Government is to call a conference of State Premiers to consider plans for restricting production next year. Owing to scarcity of freight and with little inquiry, most flour mills are working reduced time. Export quotations for flour in 49-pound calico bags are £9 2s. 6d. per ton (\$32.12 Canadian) and in 150-pound sacks £9 per ton (\$31 6s Canadian).”

TRADE OF BRITISH GUIANA IN 1938

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Port of Spain, November 21, 1939.—British Guiana's direct foreign trade in 1938 was valued at \$23,422,387 and re-exports at \$262,943. The value of direct trade was slightly lower than in 1937, when it amounted to \$24,240,124 and re-exports to \$455,922.

In spite of reductions in domestic exports for 1938 valued at \$13,064,358 (\$13,141,538 in 1937) and net imports valued at \$10,358,029 (\$11,098,586), British Guiana's favourable balance of trade rose to \$2,706,329 from the 1937 level of \$2,042,952.

EXPORTS

While the tonnage of sugar exports for 1938, totalling 183,478 tons, was slightly higher than the 181,569 tons exported in 1937, lower prices reduced the value of the 1938 exports to \$7,573,905 as compared with \$7,607,688 for the previous year.

Rum exports for 1938 amounted to 1,056,266 proof gallons valued at \$458,281 and were also slightly lower than the 1937 export figures of 1,235,256 gallons and \$520,524. Molasses exports amounted to 5,892,004 gallons (\$302,091) and showed a moderate increase over the 1937 exports of 5,776,864 gallons (\$297,226).

The foregoing figures are the barometer of British Guiana's economic conditions, for the production of sugar and its by-products supports directly or indirectly, between 50 and 75 per cent of the Colony's 337,000 inhabitants. Improvement in the Colony's general trade is largely dependent on improvement in sugar prices which have been low during the past few years.

The only other agricultural product of importance as an export is rice, which finds a ready market in the British West Indies. Considerable effort has been made at controlled marketing of this product and consideration is now being given to centralized manufacturing, nevertheless rice exports for 1938 at 12,888 tons were 5,877 tons short of the exports for 1937 and much below the yearly average exports for 1930-33 of 25,875 tons.

Bauxite is assuming increasing importance as a supplement to British Guiana's export trade in agricultural products. Exports in 1938 amounted to 376,368 tons (\$2,020,275), which was a healthy increase over the 300,707 tons (\$1,719,793) exported in 1937. Bauxite has now superseded gold as British Guiana's principal mineral export. Gold exports continue to show a moderate increase, exports for 1938 being 39,728 ounces valued at \$1,030,778 as compared with 39,047 ounces (\$1,012,913) in 1937.

British Guiana diamond exports are continuing to decline in volume and value and in 1938 only 33,509 carats valued at \$377,132 were supplied from the Colony.

British Guiana possesses extensive stands of timber. Due to these timber resources imports of lumber are small. On the other hand, exports of timber, consisting mostly of round greenheart timber, amounted in 1938 only to 362,879 cubic feet (\$182,810) as compared with 439,621 cubic feet (\$234,954) in 1937, and exports of sawn timber to 76,281 cubic feet (\$66,301) as compared with 44,936 cubic feet (\$40,681). Exports of balata in 1938 totalled 485,394 pounds (\$163,721), being a considerable increase over the 1937 exports of 390,215 pounds (\$100,445).

DIRECTION OF TRADE

Canada is British Guiana's most important market, and in 1938 received 53 per cent of the Colony's total exports as compared with 45 per cent in 1937. Most of the sum of \$6,865,557, representing the total value of exports to Canada in 1938, consisted of sugar and bauxite. The following is a list of principal products exported showing total values in 1938 and 1937 and the percentage of total values in 1938 shipped to principal purchasing countries:—

Sugar.—\$7,573,905 (\$7,607,688 in 1937); Canada, 68 per cent; United Kingdom, 32 per cent.

Bauxite.—\$2,020,275 (\$1,719,793); Canada, 78 per cent; United States, 16 per cent.

Rice.—\$577,155 (\$782,012); British West Indies, 73 per cent; foreign countries, 26 per cent.

Rum.—\$458,581 (\$520,524); United Kingdom, 73 per cent; Canada, 12 per cent.

Diamonds.—\$377,132 (\$417,206); United Kingdom, 29 per cent; foreign countries, 70 per cent.

Molasses.—\$302,091 (\$297,226); Canada, 66 per cent; United Kingdom, 30 per cent.

Round and hewn timber.—\$182,810 (\$234,954); foreign countries, 43 per cent; United States, 8 per cent; British West Indies, 13 per cent; United Kingdom, 36 per cent.

Balata.—\$163,721 (\$100,445); United Kingdom, 100 per cent.

Wood and timber, sawn.—\$66,301 (\$40,681); British West Indies, 43 per cent; United States, 16 per cent; foreign countries, 32 per cent.

Charcoal.—\$51,967 (\$49,200); British West Indies, 91 per cent; United Kingdom, 7 per cent.

IMPORTS

British Guiana's total imports, exclusive of parcel post, in 1938 were valued at \$10,620,972, a decline of \$933,536 from the 1937 figure of \$11,554,508. The principal decreases were in manufactured products, which constituted only 62·7 per cent of the total import trade as compared with 65·9 per cent in 1937. Foodstuffs generally showed a moderate increase, forming 31·5 per cent of the total imports as compared with 28·8 per cent in 1937. Most of these increased supplies were obtained from foreign sources.

The main products showing decreases were:—machinery, \$905,534 (\$1,284,942 in 1937); flour, \$905,920 (\$1,084,108); cotton piece-goods, \$624,026 (\$701,777); silk and artificial silk manufactures, \$221,519 (\$289,476); motor vehicles, \$157,727 (\$220,278); under and outer garments, except hosiery, \$157,713 (\$208,392); hosiery, \$78,770 (\$114,511); empty bags and sacks, \$233,086 (\$264,807).

There were a number of moderate increases, the main items with gains being:—butter, \$193,021 (\$139,342 in 1937); condensed milk, \$171,408 (\$128,624); beer, ale, stout and porter, \$177,002 (\$144,411); meats, salted and pickled, \$181,194 (\$163,210); paper and paper manufactures, \$235,830 (\$218,570); canned fish, \$77,689 (\$68,338); medicines and drugs, \$179,562 (\$164,669); sawn timber, \$160,592 (\$147,642).

IMPORTS FROM THE UNITED KINGDOM

Most of the manufactured products which showed a decrease in 1938 were from the United Kingdom. As a result, the total imports from that country amounted to only \$5,361,519 as compared with \$6,178,767 in 1937, or to 50 per cent and 53 per cent, respectively, of British Guiana's total import trade.

The values of the principal items imported from the United Kingdom in 1938, with values for 1937 within parentheses, were as follows:—

Cotton piece-goods, \$534,793 (\$633,021); wheaten flour, \$445,122 (\$442,440); metal manufactures, \$365,986 (\$521,283); manures, \$356,691 (\$351,453); sugar machinery, \$243,524 (\$474,472); machinery n.o.p., \$236,482 (\$235,543); boots and shoes, \$204,257 (\$186,003); beer, ale, stout and porter, \$144,242 (\$125,222); paper and paper manufactures, \$137,606 (\$136,691); common soap, \$128,920 (\$126,193); artificial silk piece-goods, \$112,455 (\$120,232); wool manufactures, \$111,961 (\$104,986); cotton manufactures, \$96,400 (\$111,435); motor cars and vehicles, \$85,565 (\$115,705); coal, coke, etc., \$85,535 (\$69,914); tobacco manufactures other than cigars and cigarettes, \$83,327 (\$89,450); medicines and drugs, n.o.p., \$82,819 (\$75,798); cement, \$79,458 (\$79,798); pulse, peas, beans and lentils, \$78,481 (\$95,100); hats, caps and headgear, \$76,867 (\$78,729); provisions, n.o.p., \$71,879 (\$61,264); painter's colours and materials, \$70,931 (\$84,355); bicycles and tricycles, \$62,688 (\$68,739); outer and under garments, \$54,336 (\$67,829); chemicals other than salt, \$54,139 (\$60,134); confectionery, \$47,672 (\$44,028); electrical apparatus, \$43,671 (\$45,479); whisky, \$41,998 (\$45,670); sewing machines, \$37,950 (\$46,466); oils, n.o.p., \$37,855 (\$44,336); butter substitutes, \$36,832 (\$38,397); printed books, \$35,213 (\$35,164); agricultural machinery, \$36,176 (\$54,851); lubricating oil, \$35,822 (\$40,594); implements and tools, other kinds, \$33,161 (\$31,759); salted or pickled meats, \$30,558 (\$11,790); smoked or dried fish, \$27,610 (\$58,994); implements and tools, agricultural, \$26,928 (\$38,914); linen and hemp manufactures, \$26,750 (\$34,384); twine, \$25,993 (\$34,892); hardware, \$25,722 (\$30,062); cordage, \$25,193 (\$34,060); lime, all kinds except manurial lime, \$24,499 (\$26,779); stationery, other than paper, \$24,126 (\$16,475).

IMPORTS FROM THE UNITED STATES

Imports from the United States, the principal foreign source of supply, were valued in 1938 at \$1,209,307 or 11 per cent of total imports as compared with \$1,129,439 or 10 per cent in 1937. The main imports were as follows:—

Mining machinery, \$146,942 (\$201,759); electrical apparatus, \$84,427 (\$94,047); cotton piece-goods, \$57,729 (\$26,068); unmanufactured leaf tobacco, \$56,267 (\$57,545); cinematograph films, \$49,153 (\$37,162); salted and pickled meats, \$39,622 (\$11,982); pitch pine, dressed, \$29,414 (\$26,224); pitch pine, undressed, \$17,177 (\$18,864); electrical machinery, \$38,554 (\$13,399); medicine and drugs, \$38,509 (\$37,574); machinery, n.o.p., \$37,872 (\$44,208); toilet requisites, except soap, \$27,491 (\$24,084); implements and tools, \$24,719 (\$25,238); wheaten flour, \$23,909 (\$1,063); provisions, n.o.p., \$19,490 (\$16,148); paper and paper manufactures, \$13,038 (\$7,614); explosives, \$26,257 (\$31,799).

IMPORTS FROM OTHER FOREIGN COUNTRIES

The outstanding imports from other foreign countries were:—

Holland—	1937	1938
Condensed milk	\$90,737	\$133,471
Potatoes	22,106	30,444
Peas, beans and lentils	4,463	23,664
Paper manufactures	12,654	20,492
Beer and ale	9,851	22,225
Barley	14,049	13,923
Germany—		
Iron and steel manufactures	33,310	19,716
Motor vehicles	41,553	15,529
Hardware	14,009	14,557
Glass and glassware	13,294	14,078
Medicine and drugs	13,511	10,747
Japan—		
Artificial silk piece-goods	16,827	17,623
Woollen piece-goods	29,240	13,534
Cotton hosiery	27,734	13,046
Hats, caps, etc.	28,065	10,691
Argentina—		
Beef and pork, salted and pickled	61,684	67,531
France—		
Artificial silk piece-goods	20,858	23,508
Belgium—		
Glass and glassware	33,407	30,412

TRADE WITH CANADA

EXPORTS TO CANADA

British Guiana's favourable balance of trade with Canada increased by over one million dollars in 1938, due, as in 1937, to increased exports of sugar and bauxite to the Dominion. Figures of trade with Canada from 1935 to 1938 are as follows:—

	1935	1936	1937	1938
Exports to Canada.. . . .	\$4,510,571	\$4,643,179	\$5,880,042	\$6,865,557
Imports from Canada	1,299,794	1,314,055	1,655,604	1,567,318
Balance in favour of British Guiana ..	3,210,777	3,329,124	4,224,438	5,298,239

The extent to which bauxite and sugar contribute to British Guiana's increasing export trade to Canada is shown in the following export figures:—

	1935	1936	1937	1938
Sugar exported to Canada.. . . .	\$4,226,230	\$3,964,044	\$4,724,300	\$5,146,762
Bauxite exported to Canada.. . . .	115,336	375,709	937,347	1,457,744

IMPORTS FROM CANADA

British Guiana imports from Canada in 1938 were valued at \$1,567,318 or equal to 15 per cent of the value of total imports, being lower by \$88,286 than the 1937 imports valued at \$1,655,604 or 14 per cent of the total import trade.

The decrease was principally in foodstuff imports. Of these, imports of flour, the most important item, showed a decline of \$205,204; imports for 1938 being 79,411 bags (of 196 pounds) valued at \$431,196 as compared with 99,230 bags at \$636,400 in 1937. Lower-priced flour from the United Kingdom increased in volume but very slightly in value from 74,774 bags at \$442,440 to 101,566 bags at \$445,122 over the same period. Imports of other foodstuffs from Canada which declined in value were: potatoes, \$90,145 (\$117,979 in 1937); cheese, \$17,371 (\$23,343); salted and pickled pork, \$37,884 (\$41,112). These declines were offset to some extent by increases in imports of cornmeal, \$9,829 (nil in 1937); pickled mackerel and salmon, \$23,762 (\$15,858); canned fish, \$52,944 (\$45,599); onions, \$6,928 (\$1,329); and oilcake and meal, \$7,372 (\$16).

Foodstuff imports from Canada in 1938 amounted to \$947,226 or 28 per cent of the total imports of foodstuffs valued at \$3,350,155. In comparison, foodstuff imports from Canada in 1937 were valued at \$1,096,092 or 33 per cent of the total foodstuff imports valued at \$3,330,612.

Imports of manufactured goods from Canada in 1938 amounted in value to \$501,096 or 7 per cent of the total imports of manufactures valued at \$6,662,332, showing a slight gain over 1937 imports valued at \$446,215 or 6 per cent of the total value for manufactured goods of \$7,623,045. The principal increases in these imports were in mining machinery, \$50,402 (\$25,796 in 1937), and, to a lesser extent, in iron and steel manufactures, \$17,168 (\$2,310), and paints, \$10,035 (\$5,746). Boots and shoes at \$19,702 (\$27,205) was the main item showing a decrease.

Imports of dressed lumber at \$50,639 (\$44,757 in 1937) and undressed lumber at \$62,808 (\$56,466), which constituted almost the whole of the unmanufactured imports from Canada, registered moderate increases in 1938.

IMPORTS OF INTEREST TO CANADA

Following is a list of imports into British Guiana in 1938 in which Canada shared to a value exceeding \$5,000, showing total quantities and values, comparative quantities and values for 1937 within parentheses, and values for chief supplying countries:—

Beer, Ale and Stout.—179,800 gals., \$176,181 (151,390 gals., \$143,652): United Kingdom, \$143,580; Holland, \$22,225; Canada, \$5,759 (\$5,945).

Biscuits, Unsweetened in Tins.—25,374 lbs., \$6,474 (28,900 lbs., \$6,775): United Kingdom, \$2,023; Canada, \$3,483 (\$3,080).

Cheese.—327,329 lbs., \$57,368 (290,248 lbs., \$49,006): New Zealand, \$20,785; Holland, \$16,970; Canada, \$17,371 (\$23,343).

Oilcake and Oilmeal.—808,557 lbs., \$17,685 (1,059,488 lbs., \$20,591): United States, \$10,271; Canada, \$7,372 (\$16).

Fish, Canned or Preserved.—556,497 lbs., \$77,689 (439,691 lbs., \$62,338): United States, \$13,298; United Kingdom, \$5,508; Canada, \$52,944 (\$45,599).

Pickled Mackerel and Salmon.—2,973 bbls. of 200 lbs., \$23,827 (1,961 bbls., \$15,920): Canada, \$23,762 (\$15,858).

Fish, Smoked or Dried, other than Morocut.—36,888 cwts., \$200,886 (36,566 cwts., \$193,958): United Kingdom, \$27,610; United States, \$11,266; Newfoundland, \$6,250; Canada, \$155,278 (\$116,914).

Fresh Apples.—164,048 lbs., \$9,429 (170,486 lbs., \$9,218): United States, \$2,479; Canada, \$6,615 (\$6,554).

Oats.—2,029,920 lbs., \$37,494 (2,096,280 lbs., \$39,400): Holland, \$6,328; United Kingdom, \$2,906; Canada, \$28,260 (\$24,760).

Flour.—186,250 bags of 196 lbs., \$905,920 (174,947 bags, \$1,084,108): United Kingdom, \$445,122; United States, \$23,909; Canada, \$431,196 (\$636,400).

Cornmeal.—3,027 bags, \$12,118 (2,857 bags, \$11,511): United Kingdom, \$2,289; Canada, \$9,829 (nil).

Other Farinaceous Products.—777,880 lbs., \$36,678 (782,593 lbs., \$37,426): British Malaya, \$12,500; United Kingdom, \$7,568; Canada, \$13,553 (\$12,707).

Beef and Pork, Salted and Pickled.—10,065 bbls. of 200 lbs., \$181,194 (9,227 bbls., \$163,210): Argentina, \$67,531; United States, \$39,622; United Kingdom, \$30,558; Canada, \$37,884 (\$41,112).

Tobacco, Unmanufactured, Leaf, 25-38 per cent moisture.—194,053 lbs., \$26,127 (157,612 lbs., \$19,282): United States, \$18,409; Canada, \$7,718 (\$5,369).

Potatoes.—8,122,285 lbs., \$137,743 (8,394,911 lbs., \$150,912): Holland, \$30,444; Portuguese possessions \$12,188; Canada, \$90,145 (\$117,979).

Onions.—1,993,331 lbs., \$51,249 (1,971,490 lbs., \$41,746): Egypt, \$11,070; Cyprus, \$12,695; Holland, \$7,753; Portuguese possessions, \$9,930; Canada, \$6,928 (\$1,329).

Fresh Vegetables, Other Kinds.—351,425 lbs., \$13,649 (286,698 lbs., \$10,681): Bermuda, \$1,829; British West Indies, \$1,775; Canada, \$9,462 (\$7,346).

Sawn Timber, Other than Pitch Pine, Dressed.—\$50,639 (\$44,757); all from Canada.

Sawn Timber, Other than Pitch Pine, Undressed.—\$63,362 (\$56,772): Canada, \$62,808 (\$56,466).

Apparel, Under and Outer Garments (Except Hosiery).—\$157,713 (\$208,392): Hongkong, \$71,900; United Kingdom, \$54,336; British India, \$9,349; Canada, \$19,583 (\$15,451).

Hosiery, Silk.—1,605 doz. prs., \$9,748 (1,511 doz. prs., \$7,469): United Kingdom, \$490; Canada, \$9,234 (\$6,608).

Boots and Shoes, Wholly or Partly of Rubber.—20,011 doz. prs., \$83,664 (25,353 doz. prs., \$90,538): Hongkong, \$30,622; United Kingdom, \$14,278; Czecho-Slovakia, \$9,621; Canada, \$19,702 (\$27,205).

Barbed Wire.—1,610 cwts., \$7,356 (no separate figures): United Kingdom, \$1,420; Canada, \$5,248 (no separate figures).

Nails, Spikes, Other than Horseshoe Nails.—7,265 cwts., \$29,866 (7,924 cwts., \$26,437): United Kingdom, \$7,703; Germany, \$3,820; Canada, \$18,329 (\$14,121).

Iron and Steel, Black, in Bars, Rods, Sheets or Plates.—12,716 cwts., \$43,612 (16,203 cwts., \$55,748): United Kingdom, \$33,591; Belgium, \$3,691; Canada, \$6,326 (\$7,041).

Steel Furniture.—\$64,169 (\$68,861): United Kingdom, \$34,181; United States, \$5,954; Canada, \$23,012 (\$22,529).

Iron and Steel Manufactures, Other Kinds.—\$50,397 (\$95,414): United Kingdom, \$30,393; United States, \$2,001; Canada, \$17,168 (\$2,310).

Electrical Machinery.—151 tons, \$85,120 (98 tons, \$42,078): United Kingdom, \$39,860; United States, \$38,554; Canada, \$6,706 (\$929).

Mining Machinery.—896 tons, \$206,482 (749 tons, \$356,284): United States, \$146,942; United Kingdom, \$4,966; Holland, \$4,130; Canada, \$50,402 (\$25,796).

Typewriters.—210, \$8,973 (\$9,165); United States, \$1,646; Canada, \$6,243 (\$3,108).

Motor Cars, Lorries and Vans.—248, \$157,727 (382, \$220,278): United Kingdom, \$85,565; Germany, \$15,529; Canada, \$33,862 (\$51,624).

Motor Car Parts.—\$37,203 (\$46,268); United States, \$11,737; United Kingdom, \$16,802; Canada, \$6,462 (\$7,552).

Rubber Tires and Tubes for Motor Cars.—\$29,529 (\$39,327): United Kingdom, \$14,104; Canada, \$12,332 (\$13,997).

Cement, Portland.—31,589 bbls. of 400 lbs., \$93,137 (34,234 bbls. \$93,168): United Kingdom, \$79,458; Canada, \$13,679 (\$13,370).

Calcium Carbide.—61,920 lbs., \$2,823 (68,500 lbs., \$3,066): Canada, \$2,715 (\$3,066).

Medicine and Drugs.—\$156,274 (\$147,960): United Kingdom, \$67,668; United States, \$38,249; Germany, \$10,747; Canada, \$27,957 (\$23,500).

Paints, including Colours and Pigments.—10,023 cwts., \$85,591 (9,392 cwts., \$93,827): United Kingdom, \$70,931; Canada, \$10,035 (\$5,746).

Lubricating Oil.—1,368,216 lbs., \$68,115 (1,455,944 lbs., \$76,295): United Kingdom, \$35,822; United States, \$17,470; Germany, \$2,620; Canada, \$11,195 (\$13,151).

Printing Paper.—\$38,744 (\$42,871): United Kingdom, \$23,577; Canada, \$12,337 (\$9,193).

Paper Manufactures, Other Kinds.—\$196,158 (\$175,118): United Kingdom, \$113,121; United States, \$12,391; Holland, \$19,919; Canada, \$30,218 (\$31,769).

Wooden Furniture.—\$23,785 (\$21,574): United Kingdom, \$7,695; Poland, \$6,340; Canada, \$5,804 (\$6,775).

Machinery Belting, Boiler Packing, etc.—\$50,913 (\$50,445): United Kingdom, \$38,405; United States, \$4,580; Canada, \$7,928 (\$6,559).

Articles, Ordinarily Merchantable, Bearing an Advertising Device.—\$41,715 (\$38,765): United Kingdom, \$18,540; Germany, \$4,333; United States, \$5,385; Canada, \$12,680 (\$9,557).

Goods Manufactured, Wholly or in Part, n.o.p.—\$116,488 (\$139,754): United Kingdom, \$51,045; Japan, \$17,541; United States, \$14,378; Germany, \$9,622; Canada, \$12,243 (\$9,976).

The following list shows total values and values of Canada's share of imports of lesser value from Canada:—

Biscuits, bread and cakes, unsweetened, in barrels or boxes, \$1,495, Canada \$486; prepared cocoa, \$18,826, Canada \$1,416; confectionery, \$49,189, Canada \$1,139; fodder, \$2,665, Canada \$2,538; bran, pollard and schumaker feed, \$2,711, Canada \$2,111; cattle feeds of high protein content \$2,925, Canada \$2,258; feeding grain, \$3,451, all Canada; fresh fish, \$2,118, Canada \$2,064; canned or preserved fruit, \$18,256, Canada \$4,870; jams and jellies, \$3,396, Canada \$765; lard and lard substitutes, \$4,640, Canada \$3,494; condensed milk, \$171,292, Canada \$1,177; pickles, sauces, condiments, \$5,193, Canada \$1,594; provisions, n.o.p., \$100,746, Canada \$3,760; refined sugar, \$3,089, Canada \$1,951; tobacco, unmanufactured leaf, less than 25 per cent moisture, \$44,371, Canada \$1,687; vegetables, dried, canned or preserved, \$13,053, Canada, \$2,799; greases and fats, \$9,742, Canada \$3,250; cotton underwear, \$33,711 Canada \$3,878; artificial silk underwear, \$8,610, Canada \$1,996; shoos, staves and headings, etc., \$127,336, Canada \$1,579; cotton piece-goods of a yardage value not exceeding 1s. per yard, \$594,297, Canada \$1,098; cotton piece-goods, other, \$29,729, Canada \$1,607; cotton manufactures other than piece-goods and ribbons, \$118,960, Canada \$1,227; artificial silk manufactures (except apparel), \$202,315, Canada \$326; cordage, \$25,657, Canada \$464; twine, \$34,430, Canada \$1,613; twine and hemp manufactures (except apparel and cordage), \$27,676, Canada \$435; hats, caps and other headgear, \$103,827, Canada \$350; cotton hosiery, \$4,145, Canada \$1,543; artificial silk hosiery, \$18,736, Canada \$4,049; boots and shoes of leather, \$200,789, Canada \$1,562; wire and wire manufactures, n.o.p., \$20,830, Canada \$3,239; bolts, chains, nuts and washers, \$26,912, Canada \$1,472; punt plates and cane-carrier chains, \$60,461, Canada \$2,460; railway and tramway materials, \$25,579, Canada \$2,909; hollow-ware (for household and industrial use), \$37,765, Canada \$370; aluminium manufactures, \$4,095, Canada \$1,892; cutlery, \$13,209, Canada \$1,029; hardware, other than furniture, hollow-ware and office machinery, \$56,139, Canada \$3,360; implements and tools, other than agricultural, \$64,724, Canada \$3,025; scientific appliances, other than photographic, \$9,537, Canada \$965; clocks, \$4,669, Canada \$977; insulated electric wires and cables, \$17,026, Canada \$907; electrical cooking and heating apparatus, \$5,161, Canada \$1,094; electrical goods, n.o.p., \$87,095, Canada \$4,946; sugar machinery, \$259,443, Canada \$958; accessories and appliances, n.o.p., \$58,773, Canada \$3,516; glass bottles, lamps, lamp chimneys and table glassware, \$31,237, Canada \$1,730; chemicals, n.o.p., \$69,496, Canada \$1,002; toilet soap, \$16,950, Canada \$3,791; varnish and polish, not containing spirits, \$7,380, Canada \$3,271; rubber manufactures, other kinds, \$9,615, Canada \$2,983; wooden containers for locally manufactured goods, \$13,249, Canada \$3,870; wooden containers, other kinds, \$7,511, Canada \$1,943; brooms and brushes, household, \$5,974, Canada \$3,554; oilcloth, \$7,550, Canada \$3,700; perfumery, cosmetics, and toilet requisites \$52,084, Canada \$3,661; stationery, other than paper, \$30,445, Canada \$1,100; toys and games, \$27,441, Canada \$2,162.

INDIAN STORES DEPARTMENT

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Rs.1 is approximately equal to Can.\$0.33 at current rate of exchange)

Calcutta, October 16, 1939.—The Indian Stores Department is the largest individual buyer of domestic and foreign goods in India. The department was first organized in 1922 and has since controlled the purchase of practically all of the requirements of other departments of the Central Government, the state railways, numerous other government enterprises, and minor local administrations. Its services are also utilized by privately-owned railways, Indian states, and many miscellaneous public bodies.

Canadian goods are occasionally sold in India through the Stores Department, but Canadian manufacturers are not believed to be very familiar with its operations and importance as a purchaser of a wide range of local requirements. The following report, summarizing the department's organization, functions, and recent operations may accordingly be of interest to exporters interested in the Indian market.

ORGANIZATION

The Department has its headquarters at New Delhi and Simla (the summer capital). It is administered by a Chief Controller of Stores and is divided into four main branches: purchase, administration and intelligence, inspection, and industrial research. The purchase branch, including divisions concerned with various groups of commodities, maintains subsidiary offices at Calcutta, Bombay, and Karachi. The administration and intelligence branch is entirely concentrated at the head office of the department. Inspection work is carried out through branches at Calcutta, Madras, Bombay, Lahore, Cawnpore, and Karachi, as well as through a special metallurgical inspectorate maintained at the Tata iron and steel works at Jamshedpur. This branch also controls the operations of a testing plant in Calcutta. The fourth division of the department, which is of comparatively recent origin, is concerned with the collection and dissemination of industrial information and various related duties. It is a part of the central organization but maintains close contact with provincial governments and the principal industrial undertakings throughout India.

The India Store Department in London is a distinct organization operating under the control of the India office, but it works in close co-operation with the local department in connection with the registration of suppliers, the inspection of goods, and the provision of information as to sources of supply.

FUNCTIONS

The principal purpose for which the Department was designed was to centralize and exercise a general control over the purchase of all government stores except munitions, foodstuffs, medical supplies, stationery, and a few other unimportant commodities. One of its leading policies is to purchase Indian goods whenever possible and to encourage local production of its numerous requirements. Detailed regulations governing purchasing procedure have been established and similar attention has been paid to the compilation of standard specifications of all commodities subject to such classification. Inspection activities cover not only the finished article, but in many instances the materials used by suppliers and their production methods. They also include physical and chemical tests and analyses of stores supplied.

GENERAL OPERATIONS

Government departments and other organizations which utilize the services of the Indian Stores Department indent for their supplies on local branches

in the case of small quantities, or on the Chief Controller of Stores in the case of larger amounts. In general these requisitions are based on standard quantities and specifications and may even call for particular brands or makes, although this practice is unusual. The department then advertises that tenders will be received on these orders, notifications to such effect being issued regularly in the official *Indian Trade Journal*. Tenders are only considered when submitted by firms whose standing and whose products have been investigated and whose names have been included in a list of approved suppliers. Contracts are then customarily let to the lowest bidder. As a general rule inspection is carried out prior to payment, which is made to the local representatives of the manufacturers in the case of foreign goods, or to the manufacturers or their selling agents in the case of articles of domestic production. Complete details of all contracts let by the department are published in the *Indian Trade Journal*.

The elaborate inspection machinery of the department is available to provincial governments and other organizations in India which may not customarily utilize the department's services as a purchasing agency. Regular charges are made for such work.

The operations of the intelligence and industrial research branches of the organization are concerned not only with questions as to sources of supply and world market trends, but to an important extent with the encouragement of Indian manufacturing industries based on present and future demands for government stores. The ultimate result of this work is expected to be of the greatest benefit to many local industries.

OPERATIONS IN 1938-39

The department's report for the year ending March 31, 1939, recorded a substantial increase in operations over all previous records. Purchases completed during the year reached a value of Rs.87,711,415, an increase of 11.1 per cent over the 1937-38 total of Rs.78,931,378. No less than Rs.40,549,724 of this total represented orders for railway equipment, most of which was purchased on behalf of the state-managed railways. The other more important items were Rs.19,423,488, representing purchases made on behalf of the United Kingdom and Colonial governments, and Rs.11,943,540, the value of goods supplied to the defence forces in India. Inspection operations included the usual preparation and revision of standard specifications; while practical inspection of materials entailed considerably more work than in previous years, owing to the general increase in purchases made by the department.

Departmental revenues are obtained by charging commissions on all purchases as well as for inspection and test work. During 1938-39 these amounted to Rs.2,161,993. Total expenditure on salaries and all other operating charges was Rs.2,643,516, leaving a deficit for the year of Rs.481,523.

OPPORTUNITIES FOR CANADIAN EXPORTS

The existence and importance of the Indian Stores Department, as already suggested, is not appreciated by many Canadian firms whose products might be sold through this organization. In some cases this has resulted from their inability or reluctance to participate in a highly competitive and unfamiliar market. In others the divergence between local standards and those current in Canada has made the business appear unduly difficult, if not impossible. It has also happened in some instances that the time involved in sending specifications and other material to Canada, in making up prices, and in returning tenders, has extended past the closing date for the receipt of offers and that manufacturers who would otherwise be interested in the business have been precluded from participation in it through this time element.

Granting that several types of railway equipment and other goods purchased by the Indian Stores Department cannot normally be supplied from Canada in competition with other countries and that United Kingdom manufacturers have the advantage of preferential tariff rates in some cases, the foregoing figures of the extent of Indian Stores Department purchases will still support the suggestion that Canada's share of this branch of India's import business should be capable of expansion. Manufacturers interested in it can be advised from the office of the Canadian Trade Commissioner, Calcutta, regarding calls for tenders on products which they could supply and can be assisted in locating and appointing competent agents to represent them in the submission of tenders and in receipt of payment. The present is a particularly opportune occasion for Canadian manufacturers to investigate the outlook for the sale of their products to the Indian Stores Department and to lay a foundation for future trade to the Indian market through this organization. Inquiries for more detailed information than is contained in this report should be addressed to the Canadian Trade Commissioner, P.O. Box 2003, Calcutta.

TRADE OF HONGKONG, JANUARY TO SEPTEMBER

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

(All values are in Hongkong dollars; HK\$1 equals \$0.28 Canadian)

Hongkong, November 15, 1939.—The total trade of Hongkong for the first nine months of 1939 was valued at HK\$846,600,000 as against HK\$874,200,000 for the corresponding period of 1938. Imports were valued at HK\$443,700,000 as compared with HK\$477,600,000; exports were valued at HK\$402,900,000 as against HK\$396,600,000.

IMPORTS INTO HONGKONG BY COUNTRIES

The values of imports by principal countries for the respective nine-month periods of 1939 and 1938 are shown in the following table:—

	Jan.-Sept., 1939 HK\$1,000	Jan.-Sept., 1938 HK\$1,000
United Kingdom	33,914	41,908
Australia	4,831	10,987
Burma	981	5,075
Canada	3,966	5,333
Ceylon	203	213
British East Africa	300	339
India	6,780	9,048
British Malaya	9,961	5,704
New Zealand	355	253
British North Borneo	2,241	1,864
South Africa	1,390	2,398
British Empire, other	447	279
Belgium	5,401	5,269
North China	115,078	76,274
Middle China	13,167	8,491
South China	36,391	89,396
Denmark	1,648	1,789
Egypt	84	105
France	2,337	2,956
Indo-China	26,930	27,175
Germany	12,932	32,014
Holland	3,817	4,383
Italy	1,307	1,409
Japan	21,352	14,168
Kwong Chow Wan	17,316	6,029
Macao	23,081	8,298
Norway	593	1,037

Imports into Hongkong by Countries—Con.

	Jan.-Sept., 1939	Jan.-Sept., 1938
	HK\$1,000	HK\$1,000
Netherlands East Indies	26,246	29,726
Philippines	1,706	2,042
Portugal	76	170
Siam	20,765	31,947
South America	640	1,225
Sweden	637	1,048
Switzerland	897	636
Spain	247	136
United States	40,928	44,558

The percentage share of the import trade of Hongkong credited to each of the chief countries of supply for the January-September period of 1939 was as follows, comparative percentages for the corresponding period of 1938 being shown within parentheses:—China, 37·1 (36·4); United States, 9·2 (9·3); United Kingdom, 7·6 (8·8); French Indo-China, 6·1 (5·7); Netherlands East Indies, 5·9 (6·2); Japan, 4·8 (3·0); Siam, 4·7 (6·7); Germany, 2·9 (6·7); British Malaya, 2·3 (1·2); India, 1·5 (1·9); Australia, 1·1 (2·3); Belgium, 1·2 (1·1); Canada, 0·9 (1).

EXPORTS FROM HONGKONG BY COUNTRIES

Comparative values of exports from Hongkong to principal purchasing countries for the respective nine-month periods of 1939 and 1938 are as follows:—

	Jan.-Sept., 1939	Jan.-Sept., 1938
	HK\$1,000	HK\$1,000
United Kingdom	15,693	16,225
Australia	2,465	2,052
Burma	4,459	2,276
Canada	1,692	1,550
Ceylon	934	939
British East Africa	141	142
India	5,899	4,071
British Malaya	29,693	27,389
New Zealand	620	550
British North Borneo	1,166	993
South Africa	2,108	1,247
British West Africa	833	433
British West Indies	3,641	2,070
British Empire, other	2,233	1,816
Belgium	1,301	1,743
North China	35,803	52,961
Middle China	21,561	24,504
South China	18,328	123,233
Cuba	122	126
Central America	1,268	1,067
Denmark	783	134
Egypt	1,240	139
France	6,051	7,057
Indo-China	45,424	15,715
Germany	12,612	10,880
Holland	5,409	4,682
Italy	175	228
Japan	3,980	2,313
Kwong Chow Wan	31,428	6,276
Macao	32,435	15,615
Norway	396	313
Netherlands East Indies	10,018	10,906
Philippines	8,604	6,869
Siam	10,438	11,136
South America	870	447
Sweden	633	296
United States	53,675	36,653

The percentage distribution of exports by principal countries for the January to September period of 1939 was as follows, with comparative percentages

for the corresponding period of 1938 within parentheses:—China, 18·8 (50·6); United States, 13·3 (9·2); French Indo-China, 11·3 (4·0); Macao, 8·0 (3·9); Kwong Chow Wan, 7·8 (1·6); British Malaya, 7·4 (6·9); United Kingdom, 3·9 (4·1); Siam, 2·6 (2·8); Netherlands East Indies, 2·5 (2·7); Philippines, 2·1 (1·7); India, 1·5 (1·0); Japan, 1·0 (0·6); Canada, 0·4 (3·5).

IMPORTS AND EXPORTS BY COMMODITIES

The following table gives imports into and exports from Hongkong under main group headings for the first nine months of 1939:—

	January to September, 1939	
	Imports HK\$1,000	Exports HK\$1,000
Animals, live	10,905	319
Building materials	6,141	2,161
Chemicals and drugs	6,009	5,608
Chinese medicines	20,538	16,351
Dyeing materials	7,261	7,186
Foodstuffs	97,570	80,805
Fuels	11,234	522
Hardware	3,865	3,508
Liquors	3,656	1,089
Machinery and engines	9,484	6,267
Manures	7,730	7,262
Metals	32,539	32,884
Minerals and ores	4,240	20,545
Nuts and seeds	7,502	4,783
Oils and fats	59,242	51,215
Paints	1,631	1,361
Paper and paperware	8,469	5,483
Piece-goods	69,974	53,393
Railway materials	76	76
Tobacco	7,951	7,893
Vehicles	12,446	18,562
Wearing apparel	3,081	19,101
Sundries	52,109	56,557

There were decreases in the imports into Hongkong during the first nine months of 1939, as compared with the corresponding period of 1938, in seventeen of the twenty-three main groups, as follows:—building materials, chemicals and drugs, dyeing materials, foodstuffs, fuels, hardware, liquors, machinery and engines, manures, metals, minerals and ores, nuts and seeds, paints, paper and paperware, railway materials, wearing apparel, and sundries.

Increases in exports were recorded for thirteen of the twenty-three main groups, as follows:—live animals, Chinese medicines, hardware, liquors, machinery and engines, metals, minerals and ores, paints, piece-goods, tobacco, vehicles, wearing apparel, and sundries.

TRADE WITH CANADA

Imports from Canada into Hongkong during the first nine months of 1939 were valued at U.S.\$1,110,579 as against U.S.\$1,599,900 for the corresponding period of 1938.

Values in United States dollars of the principal imports from the Dominion for the period under review were as follows:—

Wheat flour, \$247,725; motor cars, \$194,748; rubber tires (motor outer), \$147,518; American pine, \$71,071; motor lorries (chassis only), \$66,266; pig lead, \$54,775; manures (sulphate of ammonia), \$31,522; fodder, \$25,315; radio and wireless apparatus, \$24,984; motor lorries, \$22,526; potatoes, \$16,305; rubber tires (motor inner), \$15,461; evaporated milk, \$14,381; brass sheets, \$13,795; ginseng, \$13,276; sulphur, \$9,926; cattle, \$9,159; dried milk, \$8,711; miscellaneous foodstuffs, \$7,316; spirits (brandy, gin, rum and whisky), \$7,263; metals, n.o.p., \$5,796; fresh fish, all kinds, \$5,659; paperware, \$5,394; paints, n.o.p., \$5,216; electrical accessories, \$4,928; fruits, all kinds, \$4,885; cuttle fish, \$4,782; fish and fishery products, \$4,585; shooks and staves for cask making, \$4,420; vermicelli, \$4,240; vegetables (tinned and bottled), \$4,065; meat and fish (tinned and potted), \$3,782; tube

fittings, \$3,767; wearing apparel, \$3,447; silk goods, \$3,258; toys and games, \$3,225; upper leather, \$3,215; coffee, \$2,517; building materials, \$2,134; cinematographic apparatus, \$1,946; chemicals and drugs, \$1,810; hardware, \$1,724; motor accessories, \$1,670; nickel, \$1,234; oatmeal \$1,177; paper, n.o.p., \$1,118; haberdashery, \$1,064; iron wire, \$1,046; printing paper, \$996; biscuits, \$986; wrapping paper, \$860; agar agar, \$839; confectionery and sweetmeats, \$798; brushes, n.o.p., \$764; musical instruments, \$749; and furniture, \$666.

BUSINESS CONDITIONS

The general trade of Hongkong during the period under review, as reflected in the foregoing statistics, may be considered to have been well maintained in view of the extremely difficult conditions under which business has been carried on with interior points in China.

The severance of direct trade with the nearby province of Kwangtung and the South China coast ports, by virtue of Japanese military occupation, was the most important factor adversely affecting Hongkong's position as a trading centre. Offsetting this, however, was the development of new routes of transportation into the territory under the control of the Chinese Government at Chungking, as a result of which considerable quantities of transit cargoes were routed through Hongkong.

The serious drop in the value of the Chinese dollar during the second quarter of the year and the subsequent violent fluctuations in this currency have seriously disrupted the free flow of trade with inland points where the purchasing power of the people depends upon the value of the Chinese dollar in terms of the currencies of the countries of supply. For example, in May the value of one Chinese dollar in terms of Hongkong currency was 58 cents, whereas in July it was worth 29 cents—a depreciation of 50 per cent. In other words, the price of imported products in terms of Chinese currency increased by 100 per cent within a period of two months. Under such conditions dealers in inland points are naturally forced to restrict their indents to absolute necessities and those products in which a quick turnover is assured.

Thus it may be assumed that the present satisfactory level of the trade of Hongkong is solely the result of the abnormal volume of Chinese government supplies which have been routed through the Colony, and that the true trade of Hongkong is now undergoing a period of depression the full extent of which cannot be determined from the trade figures.

UNITED STATES POTATO MARKET

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

New York, December 11, 1939.—The outlook for the sale of Canadian seed potatoes in the United States is good, and there should be little difficulty in disposing of any moderate surplus of table stock. The following table compares imports from Canada with some of the more important factors that affect them:—

	Imports from Canada		United States		Production	
					New York	Canada
	Seed	Other	Seed	Other	Pennsyl- vania Maine	Per Cent of 1929-38 Average
	Figures		in 1,000 Bushels			
1925-29	4,033		7,121	353,794	93,417	107
1931-35	356	1,317	8,204	361,703	99,269	104
1933	518	1,506	8,820	333,486	87,957	100
1934	119	358	10,460	395,645	121,800	113
1935	453	341	12,064	374,816	91,766	79
1936	938	405	11,111	318,886	97,497	80
1937	651	3	15,485	378,654	101,190	100
1938	996	18*	11,206	360,411	88,442	84
1939 .. . . .	...	...	...	361,765	87,055	83

* Imports from all countries.

Except for the averages 1925-29 and 1931-35 the year in each case refers to the agricultural year beginning July 1, for, by using such a period, the imports may be directly compared to production in that year. The various factors included in the table are those that may be said to affect the volume of imports, particularly imports of table stock.

DUTIES

Prior to 1930 the duty on potatoes, both seed and table stock, was 50 cents per 100 pounds. In that year it was raised to 75 cents until 1936 when the first Canada-United States Trade Agreement reduced the duty on certified seed to 60 cents between December 1 and the end of February and to 45 cents for the balance of the year to apply to a total importation of 750,000 bushels of seed for the twelve months beginning December 1 of each year. This quota was doubled to 1,500,000 bushels by the 1938 agreement, and the duty was reduced to 37½ cents for the March-November period. At the same time these new duties were also applied to table stock imports up to a total of 1,000,000 bushels, plus the difference between the domestic crop and 350,000,000 bushels, whenever the United States production falls below that figure. The new agreement changed the starting date of the quota from December 1 to September 15, which corresponds more closely to each shipping season.

TABLE STOCK

Imports of table stock depend directly on the relationship of the Canadian market to the United States market. In most years the United States produces sufficient potatoes to meet domestic requirements and imports supplies only when there is a surplus in Canada that can be sold at prices sufficiently low to meet domestic competition. Thus, the volume of production in Canada and in the United States are factors indicating the possibility of imports.

It will be observed that during 1925-29, when the average United States production was below that of the following years, the duty lower and the Canadian production above the 10-year average, there was a heavy movement of potatoes across the border (a good proportion being seed stock). During this period, however, prices of potatoes in the United States were relatively much higher than the statistics of production would indicate, compared with the years since 1930. There is little doubt that in the early summer and spring of this year Canadian table stock could have been sold in good volume, but when the market advanced in the face of a temporary shortage in the United States there was no surplus available in Canada.

DOMESTIC PRODUCTION

Since the Maine, New York and Pennsylvania production more directly affects imports from Canada, the production figures of these states are also included in the table. These figures, taken in conjunction with the Canadian production index, are shown to more directly affect the volume of imports than do the total United States production figures.

It will be noted that the production of these three states increased about 6¼ per cent for 1931-35 over the 1925-29 figures, whereas total production increased only 2½ per cent. This appears to be a coincidence and not necessarily an indication that production was increased following the higher duties imposed in 1930. The production in 1928 and 1929 was 104,176,000 and 100,700,000 bushels, respectively, both over the 1931-35 average and greater than any year since 1930 except 1934 and 1937.

PRICES

Total production and that of the three pertinent states this year is shown to be well below normal. Accordingly prices have been much higher than

at this time last year, and they have shown a strong trend since the beginning of September. However, the market has been somewhat dull during the past two weeks, but prices have not noticeably weakened.

At the beginning of September, prices ranged between \$1.30 and \$1.50 on the New York wholesale market. These rates strengthened steadily till the middle of November when Maine Green Mountains were quoted at \$1.80 to \$1.95 per 100-pound bag. These prices compare with opening quotations of 65-85 cents last year, increasing to \$1.15-\$1.25 by the end of November.

Prices were not stronger at this period last year, when the production was slightly below normal, because the early estimates forecasted a fairly large production. Heavy frosts in Pennsylvania materially reduced the output from that state, and the shortage did not become apparent until later in the year. Actually, it was the severe shortage in the Virginia crop that raised prices substantially. New York is usually supplied from this state during the spring and early summer, but this year's production was only 6,873,000 bushels or nearly half the 1928-37 average. Furthermore, the southern New Jersey crop was later than usual in maturing, and heavy shipments from that area were not available until late in July.

CURRENT OUTLOOK

In view of these higher prices, the shorter production of potatoes, both total and in the States of Maine, New York, and Pennsylvania, and the reduced duty, there is every possibility of Canadian table stock potatoes being imported this year in fairly substantial volume, provided there is any surplus available. Statistics for the period September 15 to December 2 show that about 20 per cent of the quota has already been taken up by imports from Canada, namely, 201,330 bushels. Whether or not this amount will be increased when the lower duties become effective again in March would seem to depend upon the surplus available in Canada at that time.

SEED POTATOES

Imports of seed potatoes are similarly affected by local and Canadian production factors, but the factor of preference and past performance is of vital importance in this trade. Maine is, of course, the principal source of supply of seed to those areas available to Canadian production, but the Red River Valley of North Dakota and Minnesota also supply seed to the Atlantic seaboard. The following table shows imports of seed compared with the total United States and the Maine certified seed production for the agricultural years, beginning July 1, 1933-38:—

	1933	1934	1935	1936	1937	1938
	Figures in 1,000 Bushels					
Total United States seed..	8,845	10,460	12,072	11,119	15,485	11,206
Main seed	3,853	6,003	5,872	6,705	8,520	4,302
Imports of seed	518	119	453	938	651	996

The effect of the duty reduction, starting from the last half of the agricultural year beginning July 1, 1935, is apparent, the increase in imports taking place in spite of the greater than normal seed production in Maine in 1935, 1936 and 1937.

QUOTAS

Actually the year to year figures on imports since the imposition of the quotas at the reduced duty have little significance. For the three quota years beginning December 1, 1935, 1936 and 1937, imports of seed have filled the quota of 750,000 bushels without much difficulty. The greater reduction in

duty effective on March 1, 1939, only applied to about half the 1938-39 imports, since the quota year was set back to September 15. In spite of this, however, 66 per cent of the increased quota of 1,500,000 bushels had been absorbed by September 14.

MARKET OUTLOOK

The outlook for the sale of Canadian seed is good and indications point to the complete fulfilment of the quota this year. The acreage passing second inspection in Maine was 22,700 this year as against 14,313 last year, which, based on early predictions of yields per acre, would forecast about 6,400,000 bushels. In spite of this increase in the Maine production there is strong interest in Canadian seed, because of its excellent performance, lowered duties and higher prices for table stock.

For the period September 15 to December 2 imports of certified seed potatoes from Canada amounted to 619,221 bushels, or over 41 per cent of the total quota.

DISTRIBUTION

Most of the Canadian seed is used on Long Island and in New Jersey. Both Cobblers and Green Mountains are sold in these areas, but Long Island probably takes a greater quantity of Mountains whereas New Jersey prefers Cobblers. Heavy imports take place during October and November and also in March when the reduced duty again becomes effective. However, after the end of March the season is too advanced to allow any substantial movement.

In addition to these two major consumers, considerable quantities of Cobblers, and Green Mountains to a lesser extent, are sold from Virginia south to Georgia, while Bliss Triumph are supplied to Florida. Most of such potatoes are entered through Norfolk and subsequently distributed down the coast. Smaller quantities are shipped inland to West Virginia and Tennessee.

The use of Canadian seed in these states was drastically reduced by the higher duty in 1930, so that there is considerable opportunity of increasing the sale in that territory (Virginia to Georgia).

South Carolina starts seeding at the end of January, North Carolina during February, and Virginia from the middle of February to the middle of March. West Virginia and Tennessee are later, but planting is generally over by the first of April. Thus, for most of the South Atlantic area seed is required during the period when the higher duty is in effect. Although the seed is imported prior to December 1 for storage until needed, this factor is a considerable handicap, since dealers are forced to plan entirely in advance of the planting season.

DOMESTIC PRODUCTION

As will be noticed from the foregoing table Maine is the predominant producer of seed stock in the United States. The only other area producing certified seed in any volume is the Red River district of North Dakota and Minnesota. New York and New Jersey produce only a small amount of certified seed and the Carolinas, Virginia, Georgia and Florida none whatsoever. Maine is the principal supplier of all Cobbler and Mountain seed, although the Red River Valley (mostly North Dakota) also provides fairly large quantities of Cobblers. The latter district, however, is the main source of supply of Bliss Triumph seed in the United States. The following table shows the production of certified seed of the main varieties for the years 1937 and 1938:—

	1937			1938		
	Maine	Red River*	Total	Maine	Red River*	Total
	Figures in 1,000 Bushels					
Cobblers	3,489	1,830	5,690	1,975	1,808	4,120
Green Mountains	3,723	16	4,025	1,408	21	1,718
Bliss	133	1,244	2,368	147	1,115	2,192
Katahdins	353	2	420	397	4	463
Chippewas	518	18	618	207	17	338
Total all seed	8,520	3,463	15,485	4,302	3,335	11,206

* Figures represent total seed production of North Dakota and Minnesota combined.

The predominance of the first three varieties is clearly illustrated in the foregoing table. There is no Green Mountain seed produced in North Dakota, the figures shown for the Red River Valley all coming from Minnesota. This district also produces about 200,000 bushels or more of Early Ohio seed each year. New York provides about 125,000 bushels annually of certified Green Mountain seed and under 100,000 bushels of Cobblers, so that it must rely principally on Maine or Canada for its seed requirements. Prior to 1936 neither Katahdins nor Chippewas were separately classified, but the figures are inserted since this seed is of some importance as an export crop.

WHEAT AND FLOUR TRADE IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 26, 1939.—The wheat and flour trade occupies a prominent place in Australian economy. Annual consumption of wheat in the Commonwealth amounts to between 54,000,000 and 57,000,000 bushels, and average production for the ten years ended 1938 was about 170,000,000 bushels. Wheat and flour imports are negligible. The relation between local consumption, exports and production of wheat and flour for the last five years is summed up in the following table:—

	1934-35	1935-36	1936-37	1937-38	1938-39
	Figures in Thousands				
Local requirementsbus.	54,607	55,000	56,000	57,000	57,117
Total productionbus.	109,464	106,613	98,887	125,051	88,868*
Exports in terms of wheat .bus.	75,961	76,993	71,778	94,545	57,414*
Exports of wheatbus.	698	617	565	636	655*
Exports of flourtons	133,393	144,217	151,390	187,255	154,124

* Eleven months July to May

The principal producing state is New South Wales, with Victoria, Western Australia, and South Australia following in that order. Areas sown and production for the various States are as follows:—

Areas Sown Under Wheat for Grain in Australia

	N.S.W.	Vic.	Q'ld.	S.A.	W.A.	Tas.	A.C.T.	Total
	Figures in 1,000 Acres							
Av. for 10 years ended								
1938	4,241	3,160	254	3,563	3,151	18	2	14,389

Production of Wheat in Australia

	N.S.W.	Vic.	Q'ld.	S.A.	W.A.	Tas.	A.C.T.	Total
	Figures in 1,000 Bushels							
Av. for 10 years ended								
1938	54,960	41,288	3,511	34,215	35,493	401	36	169,904

The main factor determining wheat distribution in Australia is rainfall. In broad terms the crop is confined within the zone bounded by the 10-inch and 30-inch annual rainfall isohyets in the southern half of the continent. Except in South Australia this zone is restricted to the plains bordering the inner slopes of the coastal ranges. Since the growing season of the crop is

usually the winter and early spring, rainfall during that period (especially in June and September) is of much greater significance than total rainfall. Over the greater part of the wheat belt, winter rainfall predominates, but in northern New South Wales and southern Queensland the crop is being cultivated in a summer rainfall region. The area of spring crop is extremely small.

VARIETIES SOWN

The principal varieties of wheat sown are shown in the following table which relates to the year 1936; the lists are not complete:—

New South Wales		Victoria		South Australia		West Australia	
Variety	Per Cent	Variety	Per Cent	Variety	Per Cent	Variety	Per Cent
Ford	20.9	Ghurka. . . .	45.1	Ranee.	22.6	Bencubbin. . .	31.9
Nabawa . . .	20.7	Ranee.	22.3	Nabawa	15.5	Glueclub. . . .	12.0
Dundee. . . .	12.3	Free Gallipoli	14.7	Sword.	11.8		

Of the nine varieties mentioned above, two can be graded as “very weak,” five as “weak” and two as “medium strong.” The general quality of Australian wheat varies between “weak” and “very weak.”

METHODS OF HANDLING

The original medium for handling Australian wheat was the bag. After the Great War, a system of country silos was established in New South Wales, with terminal elevators at Sydney and Newcastle. Victoria is in process of installing a somewhat similar scheme for which Geelong and Williamstown will be the terminals, and investors were recently invited to take up debentures in a loan of £A500,000 being raised by the Grain Elevators Board. The loan, issued at par (£100) will bear interest at 4½ per cent and will have a ten years’ maturity. Principal and interest are secured by the revenue and assets of the Board and are guaranteed by the Government of Victoria. In Western Australia, the system of bulk storage is on a somewhat less ambitious scale, while in South Australia there are no bulk handling facilities.

From time to time voluntary wheat pools have been in operation in the four principal wheat-producing states. These schemes are based on a co-operative principle, are controlled by Trustees or Committees, and the whole of the proceeds, less expenses, are distributed amongst contributors of wheat to the pool. In Queensland marketing of wheat is conducted on a compulsory basis by the State Wheat Board, consisting of four elected representatives and a representative of the Queensland Government.

EXPORT MARKETS

The domestic market over the last five years has remained relatively steady. The Australian flour mills absorb about 50 per cent of the wheat used for local purposes, and during recent years have had a steady local market for from 650,000 to 660,000 tons of flour. Export markets have recently shown some interesting changes. Flour exports, which are considered below, have fluctuated in the past five years between 560,000 and 725,000 tons. Changes in the destinations of wheat exports are shown in the following table and can be largely explained by changes in the international political situation; total exports, of course, are affected by changes in the season:—

Exports of Wheat from Australia

	1934-35	1935-36	1936-37	1937-38	1938-39
	Figures in Thousands of Centials				
United Kingdom	24,719	28,066	26,547	36,913	8,679
Eire	1,574	2,847	3,419	607	111
Other British countries.	378	1,356	577	3,718*	6,866
Belgium	152	1,457	368	97	....

Exports of Wheat from Australia—Con.

	1934-35	1935-36	1936-37	1937-38	1938-39
	Figures in Thousands of Centals				
China	8,198	3,032	764	66	5,915
Japan	9,318	6,626	1,504	1,707	259
Italy	11	1,042	6,100	2,302	....
Other foreign countries	1,226	1,770	3,788	11,272†	1,832
For orders‡ . . . . .	....	....	....	....	14,349
	45,576	46,196	43,067	56,702	38,011

* Includes New Zealand, 2,372 thousand centals. † Includes U.S.S.R., 3,116 thousand centals.
‡ Final destination not known. One cental equals 100 pounds.

FLOUR-MILLING INDUSTRY

Australian flour mills handle approximately 80,000,000 bushels of wheat annually, employ about 3,600 persons, and, in addition to supplying the whole of Australian requirements, maintain a substantial volume of export trade.

Australian production and exports of flour for the years 1934-35 to 1938-39 are shown in the following table:—

	Production 1,000 Centals	Exports 1,000 Centals	Per Cent
1934-35	27,176	13,959	51.4
1935-36	26,152	12,342	47.2
1936-37	24,576	11,296	46.0
1937-38	25,015	12,609	50.4
1938-39 . . . . .	....	14,513	....

Distribution of exports by countries for the years 1934-35 to 1938-39 is shown in the following table:—

Exports of Flour from Australia

	1934-35	1935-36	1936-37	1937-38	1938-39
	Figures in 1,000 Centals				
United Kingdom	1,987	2,620	3,547	3,759	2,385
Hongkong	1,012	888	810	1,326	462
British Malaya	1,239	1,112	1,332	1,309	1,339
Other British countries	1,307	1,558	1,643	1,823	2,103
China	16	19	42	631	4,338
Egypt	537	474	700	374	115
Japan	24	189	2	1	....
Netherlands East Indies	1,643	1,642	1,499	1,661	....
Philippine Islands	549	810	710	545	654
Other foreign countries	5,645	3,030	1,011	1,180	3,117
	13,959	12,342	11,296	12,609	14,513

Most of the mill by-products (probably about 90 per cent) are used by Australian rural industries. There is a fairly regular market for offals in some of the Pacific countries, while the United Kingdom and Eire purchase any surpluses.

The importance of the export market has helped to determine the geographic distribution of the flour mills as between production areas and ports. A survey of the industry, based on the year 1933 but still reasonably accurate, shows that about 50 per cent of the productive capacity of the Australian flour mills is centred in the six capital ports, as indicated in the following table:—

	Capital Port Mills		Country Mills	
	No.	Capacity*	No.	Capacity*
New South Wales	16	518.00	39	506.00
Victoria	9	398.00	29	400.50
South Australia	8	130.25	26	136.75
Western Australia	11	143.75	9	153.00
Queensland	3	103.00	7	71.40
Tasmania	1	26.25	2	19.00
	48	1,319.25	112	1,286.65

* Sacks of 200 pounds.

The flour millers in Australia are incorporated as limited liability companies or partnerships, or are under the control of sole proprietors; there are no co-operative organizations. In New South Wales, Victoria, South Australia, and Western Australia flour millers have from time to time formed trade associations governed by rules and regulations to which members agree to adhere; these associations are affiliated through a central council. A quota system has at various stages been adopted by most states, and wholesale prices are subject to control by agreement. The price of flour sold for local consumption is often higher than the export price, even apart from the increases due to flour taxes.

BAKING INDUSTRY

Baking is carried on by numerous small individual concerns loosely organized into trade associations. The bakers buy the flour direct from the mills and arrange for the distribution of their products. In the case of bread, this takes the form of house to house delivery. Recently there has been an increase in the use of mechanical methods of baking. There is practically no competition from other grain products.

Bread consumption in Australia is low, the average being 1·05 two-pound loaves per person per week. However, biscuit, cake and pastry consumption is relatively high, the value of production being about 65 per cent that of bread.

GOVERNMENT ASSISTANCE TO WHEAT GROWERS

The Wheat Industry Assistance Act and related taxing acts provide for a home consumption price in 1938-39 of 5s. 2d. (Australian currency) per bushel at the seaboard or 4s. 8d. at country sidings. When wheat falls below this basic price, the growers' return on the portion of the crop consumed in Australia is brought up to that figure from the proceeds of a tax levied on locally consumed flour and on imports of wheat. If the price rises above this figure, a tax would be levied on wheat to reduce the home consumption price to 5s. 2d. a bushel. Some provision was made—£A500,000 for 1938-39—for the gradual removal of extra marginal producers. Victoria received a special grant of £A200,000 for special relief for the assistance of wheat farmers whose crops were wholly or partly affected by the drought during the 1938-39 season. It is estimated that Australian wheat-growers will receive a bounty of approximately 6d. per bushel for the season.

MARKET FOR FLOUR IN HONGKONG AND SOUTH CHINA

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

Hongkong, October 12, 1939.—The people of Hongkong and South China depend principally on rice as their staple food, owing to the abundant supplies of this cereal which are available at prices within reach of even the poorest families. However, wheat flour has always formed an important part of their general diet. The growing popularity of bread among all classes has contributed to a certain extent to the increased demand for flour, but this demand is chiefly the result of an expansion in the consumption of noodles, patties and all types of Chinese cakes and pastries.

There being no flour-milling industry in Hongkong and South China, Hongkong is an attractive market for foreign flours, both by reason of there being no import duties on imports and of the colony's position as a storage and distributing centre for neighbouring territories. Wheat flour is now in eighth position among the principal imports into the colony, and it ranks second in importance to rice in the "foodstuffs" group.

It is estimated that in normal times 70 to 80 per cent of the flour imports into Hongkong are re-exported, mainly to South China, Middle China, North China, Macao, and French Indo-China. However, the current hostilities in China and the consequent disruption of communication and transportation services have severely handicapped trade with inland points and coastal ports. Also the recent promulgation of regulations by the French Indo-China Government, which practically preclude the entry into French Indo-China of all flours other than those of French origin, has had a detrimental effect on the flour trade of the colony.

DISTRIBUTION OF IMPORTS

The following table shows the imports of flour into Hongkong by countries for the years 1934 to 1938 inclusive and for the first six months of the current year:—

Imports of Flour into Hongkong

	1934	1935	1936	1937	1938	Jan.-June, 1939
Total.. . . .Tons	65,227	87,059	57,348	68,000	81,207	45,850
US\$	2,492,474	3,533,371	2,460,931	3,753,710	3,814,019	1,475,081
Australia.. . . .Tons	28,611	59,990	36,904	40,638	50,421	9,785
US\$	985,592	2,253,117	1,499,942	2,178,123	2,328,456	310,565
Canada .. . . .Tons	15,884	15,477	10,273	9,928	9,991	5,348
US\$	679,509	770,743	489,290	615,105	509,883	189,121
North China.. . .Tons	3,231	4,680	5,172	2,528	.....	.....
US\$	120,684	207,028	241,376	145,177	.....	.....
United States .. .Tons	17,501	6,912	2,837	13,378	20,795	30,717
US\$	706,689	302,483	145,901	745,551	975,680	975,395
Japan.. . . .Tons	.....	.....	2,162	1,523	.....	.....
US\$	.....	.....	84,422	69,754	.....	.....

SOURCES OF SUPPLY

From the above figures, it will be seen that the principal participants in this trade are Australia, the United States and Canada. Australia and the United States obtain the bulk of the trade, since the market's requirements tend primarily towards a soft wheat flour, and these suppliers cater principally to the demand for a "straight" grade. Australia usually enjoys a slight advantage in price over the United States, although during the years 1937, 1938, and for the first six months of 1939 imports from the United States showed an improvement over the figures for the previous two years owing to the advantage of a government subsidy which contributed towards the quoting of more competitive prices.

Canada's share of the flour trade of Hongkong is steady and consists for the greater part of "clear" grades and to a lesser extent "Baker's Patent." In the case of the former, the only competition offering is from "strong" United States grades, while the development of trade in Canadian Baker's Patent is of comparatively recent date, and sales are maintained by steady orders placed by regular consumers.

Prior to the outbreak of hostilities between China and Japan, North China was a factor in the flour trade of Hongkong, as shipments from that source were exempt from duty when entering South China. However, competition from this source did not interfere with the regular established demand for Australian, United States, and Canadian flours. At the present time, imports into Hongkong from North China are negligible on account of the acquisition by Japanese interests of the more important flour mills in that territory.

EXPORTS

Exports of flour from Hongkong in 1938 totalled 62,922 tons (U.S.\$2,972,303) as against 47,532 tons (U.S.\$2,683,633) in 1937 and 47,708 tons (U.S.\$2,054,890) in 1936. Distribution of the 1938 exports was as follows, with values

in United States dollars: North China, \$850,533; Middle China, \$262,906; South China, \$918,092; French Indo-China, \$705,618; and Macao, \$235,104.

For the period January-June, 1939, exports amounted to 24,477 tons valued at U.S.\$818,550, the chief destinations being: North China, \$334,367; Macao, \$273,772; French Indo-China, \$103,593; Middle China, \$49,796; South China, \$47,441; British Malaya, \$3,312; and Siam, \$3,003.

GRADES

The principal grades of flour in demand in Hongkong and South China are: Australian, U.S. Club Straight, U.S. Cut-Off, U.S. Patent, Canadian "Clear," and Canadian Baker's Patent.

Australian and United States flours are mainly used for general baking purposes, that is for the manufacture of bread and cakes and for household use, while the bulk of Canadian imports are used for what is considered a luxury trade, namely in the manufacture of noodles, patties and various types of Chinese pastries. On occasions, when a fairly white flour with a strong gluten content is required, Canadian "clear" is blended with Australian or United States flour.

Of the Canadian flour imported into Hongkong, it is estimated that 20 per cent is used for noodles, 40 per cent for puff sticks and patties, 20 per cent for Chinese cakes, 5 per cent for bread, and 15 per cent for gluten extraction.

MARKET CHARACTERISTICS

A peculiar characteristic of the Hongkong and South China market is the manner in which tests are made to determine the gluten content of flour. This is known as the Chinese "wet" test, and is the only basis on which Chinese dealers will accept decisions in regard to gluten content. This method of testing is crude and simple—flour is mixed with water in the proportion of two to one, and the resultant mixture is subjected to handling under a water-dripping action until only gluten remains. The weight of this residue, when compared with the combined weight of flour and water used, gives the percentage of gluten content. For instance, if 10 ounces of flour is mixed with 5 ounces of water and the gluten remaining weighs 3 ounces, the flour is considered to contain 20 per cent gluten.

Australian and United States Club Straight grades are required to have a gluten content of not less than 19 per cent and not more than 21 per cent; United States Cut-Off a minimum of 38 per cent, and Canadian First Clear 34 per cent.

METHODS OF SALE

There are four or five important flour importers in Hongkong who solicit orders through their brokers from the several large Chinese flour dealers in the colony. The orders thus obtained are then made the basis of an indent to their principals. In certain instances, however, in anticipation of a favourable market trend, some of the importers place orders for their own accounts. The retail trade and the bulk of the re-export business is catered to by the Chinese dealers, who have their own branches handling not only local distribution but also that in the interior and coast ports.

TERMS OF PAYMENT

It is the customary practice for importers to furnish confirmed irrevocable letters of credit, covering all orders. Importers, on the other hand, usually extend a certain amount of credit to their local dealers, in order to effect an increased turnover in retail and re-export business.

BRAND OR "CHOP"

As in the case of practically all commodities which are offered for sale in Hongkong and South China, the importance of the brand or "chop" cannot be too strongly emphasized, for once a grade of flour is introduced into the market and a demand established, purchases are subsequently made on the basis of "chop" only. Brands or "chops" should be of distinctive design and of a type which will be impressed on the memories of consumers. It should also embody a name which can be readily translated into Chinese characters without loss of meaning. However, the matter of brand is one which is usually decided upon by the importer, who furnishes the design, name and Chinese characters to his principals for reproduction.

Exporters wishing to register their own brands may do so through the Registrar of Trade Marks. Registration covers a period of 14 years and costs approximately U.S.\$20.

POSSIBILITIES FOR EXPANSION OF SALE OF CANADIAN FLOUR

In considering the possibilities for the expansion of Canadian flour in Hongkong and South China, it must be borne in mind that the bulk of the Canadian flour used in this market meets the demand for a product of high gluten content, which cannot be satisfied by Australian, North China, nor the majority of United States flours imported into the market. Therefore, under present conditions, the increased sale of Canadian flour to this territory will be contingent upon an increase in the popularity and consumption of the products of which Canadian flour is the most important ingredient.

On the other hand, an opportunity for the development of Canada's flour trade with this territory lies in the possibility of producing a soft wheat similar to that produced in the Northwestern United States, which will mill into a flour of low quality, white colour, and small gluten content. When this is possible, Canada will be in a position to bid for that portion of the Hongkong market which is at present monopolized by United States and Australian flours.

MARKET FOR FLOUR IN THE PHILIPPINE ISLANDS

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

Hongkong, October 12, 1939.—In 1938 wheat flour imports ranked eighth among the ten principal imports into the Philippine Islands, and accounted for 4 per cent of the total imports for that year. While the bulk of the population of the Philippine Islands use rice as a staple food, owing to the high price of this cereal during the past few years they have turned to flour as the most economical substitute.

There is no flour-milling industry in the Philippines, and the market is therefore open to all suppliers. There is an import duty on all flour other than that of United States origin; the current rate is equivalent to 10¼ U.S. cents per bag of 49 pounds.

The following table shows values for imports of flour into the Philippine Islands by countries for the years 1934 to 1938 inclusive:—

Imports of Flour into the Philippine Islands

	1938	1937	1936	1935	1934
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$
United States	3,256,599	1,573,807	1,546,738	1,222,345	1,816,910
Canada	2,692	810,726	813,434	552,722	379,262
China.. . . .	714,802	32,037	13,713	17,624	28,255
Japan.. . . .	5,760	278,140	318,010	204,716	118,886
Australia	85,937	1,407,085	1,258,138	858,170	280,227
Hungary.. . . .	1,065,481	.....	.....	.....	.....
	5,131,271	4,101,795	3,950,033	2,855,577	2,623,540

As indicated in the foregoing table, the United States is the principal supplier of flour to the Philippines, having obtained approximately 63 per cent of the trade in 1938, Australia being second in importance with 20 per cent and Canada next with 14 per cent.

The grades in demand in the Philippine Islands are U.S. Patent, U.S. Club Straight, U.S. Cut-Off, Australian, Canadian Baker's Patent, and Canadian Clears.

There are a great number of American-type bakeries in the Philippine Islands, which cater to the demand for bread, cakes and pastries; the manufacture of noodles and vermicelli is carried on to a fair extent. United States and Australian flours are in general use, while Canadian flour is considered to be a specialty product.

The flour trade is in the hands of several large Manila importers who operate on an indent basis, dealing direct with the bakeries and retail dealers.

Registration of trade marks in the Philippine Islands is handled and supervised by the Bureau of Commerce, Manila, a certificate of registration being valid for 30 years after the date of issue. The cost of registering a trade mark is approximately U.S.\$30.

IMPORT TRADE OF NORWAY IN 1938

Items of Interest to Canada

RICHARD GREW, CANADIAN TRADE COMMISSIONER

(One Norwegian krone equals approximately \$0.25 Canadian; one metric ton equals 2,204 pounds; one kilogram equals 2.2 pounds; one litre equals 1.76 pint.)

Oslo, November 22, 1939.—The import trade of Norway during the calendar year 1938 was valued at 1,192,650,000 kroner, a decrease of 100,067,000 kroner as compared with 1937.

The value of imports originating in Canada increased to 45,806,000 kroner as compared with 38,897,000 kroner in the preceding year. The detailed Norwegian import statistics have recently been published, and these specify the various commodities imported and show countries of origin or production. Of the items included in these statistics, the following have been selected as being of interest to Canadian exporters; the 1937 imports are shown within parentheses:—

FOODSTUFFS

Wheat.—The imports into Norway of wheat decreased to 164,733 tons (175,758), the principal supplier being Canada with 92,179 tons (73,021), while 33,737 tons (15,972) originated in Russia, 14,666 tons (8,844) in the United States, 14,323 tons (nil) in Uruguay, 5,216 tons (4,562) in Australia, and 4,013 tons (nil) in Turkey.

Wheat flour imports increased to 40,990 tons (32,077), the bulk of which, amounting to 26,459 tons (13,989), came from Canada, while the United States shipped 5,818 tons (4,969), the United Kingdom 3,954 tons (4,541), and France 3,216 tons (4,748).

Rye was imported to a total of 131,391 tons (134,093), the bulk of which, totalling 83,314 tons (62,091), originated in Russia, while the United States is credited with 38,422 tons (15,500), and Canada with 7,693 tons (nil).

Maize imports totalled 148,273 tons (154,974), the principal supplier being Argentina with 71,256 tons (144,310); the United States supplied 49,361 tons (2,481), Hungary 13,181 tons (5,173), and Canada 5,210 tons (nil).

Barley imports decreased to 12,446 tons (27,390), of which 10,819 tons (11,853) came from Denmark, 1,006 tons (300) from Czecho-Slovakia, and 202 tons (nil) from Canada.

Soya beans were imported to the extent of 24,183 tons (25,812), practically all of which, 23,673 tons (25,300), came from Manchukuo; Canada is credited with 510 tons (nil).

Peas, Beans and Lentils.—These imports totalled 6,147 tons (6,061), of which Poland and Danzig shipped 2,916 tons (3,177), and the Netherlands 1,718 tons (1,469).

Fresh Apples and Pears.—These imports increased to 5,614 tons (2,863), the bulk of which, 4,148 tons (1,706), came from the United States, 1,145 tons (987) originated in Australia, 98 tons (34) in Argentina, 75 tons (72) in South Africa, 29 tons (nil) in New Zealand, and 24 tons (7) in Canada.

Prunes were imported to a total of 2,552 tons (2,108), practically all of which, 2,535 tons (2,062), came from the United States.

Raisins.—These imports increased to 2,748 tons (2,053), the bulk of which, amounting to 2,561 tons (1,795), came from the United States, while 55 tons (nil) came from British possessions in Asia, 46 tons (128) from Turkey, 32 tons (89) from Spain, 30 tons (25) from Greece and 9 tons (1) from Canada.

Dried Fruits.—These imports increased to 1,000 tons (921). Practically all of these, totalling 979 tons (898), came from the United States. No mention is made of Canada which in 1937 shipped 4 tons.

Fresh tomatoes were imported to the extent of 359 tons (241), of which the Canary Islands supplied 251 tons (187) and the Netherlands 103 tons (43). No mention is made of Canada which in 1937 shipped 7 tons.

Casings.—The imports of casings of all kinds totalled 335 tons (335), over half of which, 204 tons (197), are credited to the United States, other suppliers being China with 32 tons (32), Sweden with 28 tons (28), Argentina with 24 tons (18), Denmark with 16 tons (16), the Netherlands with 13 tons (17), and Canada with 3 tons (2).

Fresh and live fish (including frozen fish) were imported to an aggregate of 3,013 tons (3,339), the bulk of this trade being divided between Denmark and Sweden, which are credited with 1,806 tons (1,974) and 1,131 tons (1,216), respectively; the United Kingdom supplied 39 tons (82) and Canada 14 tons (15).

Salted salmon imports totalled 331 tons (336), of which Canada shipped 140 tons (116), the United States 133 tons (179), and Japan 57 tons (39).

Cheese was imported to the extent of 236 tons (195), of which 81 tons (15) are credited to Sweden, 79 tons (114) to Denmark, 27 tons (25) to the Netherlands, 23 tons (15) to Switzerland, 11 tons (11) to France, 8 tons (8) to the United Kingdom, and 1 ton (1) to Canada.

Dry Tobacco Leaves.—These imports totalled 2,869 tons (2,896), the bulk of which, 2,227 tons (2,170), came from the United States, while 218 tons (130) originated in Turkey, 134 tons (218) in Bulgaria, and 121 tons (146) in Greece.

Smoking tobacco was imported to the extent of 66 tons (67), of which the Netherlands are credited with 33 tons (38), the United Kingdom with 21 tons (22), and the United States with 8 tons (6).

Spirituous Liquors.—The imports of spirituous liquors in bottles increased to 397,083 litres (338,212), over half of which, 253,513 litres (220,008) came from the United Kingdom, while 125,226 litres (101,730) came from France, 11,082 litres (7,820) from the Netherlands, and 1,151 litres (1,220) from Canada. Spirituous liquors in casks were imported to a total weight of 981 tons (995), of which France supplied 518 tons (488), the United Kingdom 329 tons (379), Spain 53 tons (48), and the Netherlands 49 tons (34).

TEXTILES

Real Silk Stockings and Socks.—These imports increased to 3,679 kilograms (2,270), of which 1,101 kilograms (719) came from Germany, 1,053 kilograms (562) from the United States, 807 kilograms (453) from Czecho-Slovakia, and 349 kilograms (403) from Canada.

Artificial silk stockings and socks were imported to the extent of 84,908 kilograms (79,730), the bulk of which came from Germany and Czecho-Slovakia, which are credited with 54,607 kilograms (47,168) and 22,620 kilograms (25,514), respectively.

Real Silk Fabrics.—These imports increased to 17,006 kilograms (10,057), of which Japan supplied 4,768 kilograms (1,494), France 4,728 kilograms (2,831), the United Kingdom 1,853 kilograms (1,022), Germany 1,801 kilograms (1,935), Switzerland 1,711 kilograms (835), Italy 532 kilograms (451), the Netherlands 423 kilograms (290), China 309 kilograms (614), and the United States 249 kilograms (103).

Artificial silk fabrics were imported to the extent of 479,756 kilograms (551,097), Germany supplying 125,967 kilograms (145,394), the United Kingdom 76,662 kilograms (86,567), France 55,644 kilograms (27,704), Italy 55,627 kilograms (69,730), Czecho-Slovakia 55,122 kilograms (62,733), Japan 51,562 kilograms (95,757), Switzerland 28,339 kilograms (32,903), and the United States 2,475 kilograms (2,128).

Ready-made garments of artificial silk stockinet were imported to the extent of 25,221 kilograms (27,790). The largest contributor was Germany with 12,148 kilograms (16,722), while 6,811 kilograms (5,711) came from Czecho-Slovakia, 1,809 kilograms (1,831) from the United States, 1,487 kilograms (1,546) from the United Kingdom, 1,328 kilograms (939) from the Netherlands, and 745 kilograms (nil) from Japan.

Real and Artificial Silk Clothing of All Kinds.—These imports amounted to 34,965 kilograms (34,605), the bulk of which, amounting to 22,241 kilograms (25,928), came from Germany; the United States are credited with 3,276 kilograms (1,972), Denmark with 1,937 kilograms (1,787), the United Kingdom with 1,795 kilograms (1,217), France with 1,423 kilograms (1,114), and Hungary with 1,162 kilograms (325).

Woollen felt and press cloth imports decreased to 134,114 kilograms (211,529), of which Germany supplied 48,649 kilograms (65,105), Sweden 41,739 kilograms (79,032), the United Kingdom 33,653 kilograms (49,499), and France 6,780 kilograms (12,038).

Woollen Clothing.—These imports amounted to 85,155 kilograms (78,755), about half of which, 46,395 kilograms (45,627), came from Germany, while the Netherlands is credited with 12,595 kilograms (3,293), Hungary with 7,761 kilograms (7,619), Czecho-Slovakia with 5,139 kilograms (4,542), the United Kingdom with 4,566 kilograms (4,048), Denmark with 4,228 kilograms (4,189), and the United States with 519 kilograms (491).

Cotton and Linen Clothing.—These imports increased to 173,290 kilograms (142,462), the largest suppliers being the United Kingdom with 38,617 kilograms (33,166), Germany with 35,808 kilograms (37,043), Japan with 18,837 kilograms (19,424), the United States with 18,144 kilograms (13,218), Czecho-Slovakia with 16,836 kilograms (12,207), Sweden with 14,211 kilograms (11,326), and the Netherlands with 10,422 kilograms (2,345).

LEATHER AND LEATHER PRODUCTS

Sole Leather.—The imports of clean-cut sole leather decreased to 100 tons (127), of which 32 tons (22) came from Denmark, 27 tons (45) from the United Kingdom, 12 tons (28) from Belgium, 10 tons (8) from France, 8 tons (5) from the Netherlands, and 2 tons (1) from the United States.

Upper leather in pieces weighing more than 2 kilograms each showed a decrease to 172 tons (192), Sweden being credited with 57 tons (78), the United Kingdom with 48 tons (42), Germany with 20 tons (21), and the United States with 8 tons (17). The imports of upper leather in pieces weighing less than 1 kilogram each also decreased to 197 tons (254), of which the United Kingdom supplied 55 tons (77), Germany 32 tons (42), Sweden 24 tons (40), France 23 tons (10), the United States 22 tons (32), and Canada 2 tons (2).

Leather Footwear.—These imports totalled 137 tons (127), of which 51 tons (42) came from Czecho-Slovakia, 30 tons (35) from Germany, 19 tons (19) from Switzerland, 10 tons (6) from the United Kingdom and 5 tons (5) from the United States.

Furriers' Wares.—These imports increased to 5,266 kilograms (3,473), the principal suppliers being Hungary with 2,154 kilograms (1,173) and Germany with 1,267 kilograms (1,083), while 461 kilograms (162) came from France, 429 kilograms (299) from Czecho-Slovakia, 252 kilograms (78) from the United Kingdom and 83 kilograms (61) from the United States. No mention is made of Canada which in 1937 supplied 36 kilograms.

OILS AND RUBBER PRODUCTS

Herring oil imports decreased to 9,829 tons (20,003), most of which came from Iceland and Japan, which are credited with 6,368 tons (9,331) and 3,059 tons (9,984), respectively; Portugal supplied 262 tons (506), and the United Kingdom 59 tons (50).

Miscellaneous Fish Oils.—These imports also decreased considerably, to 2,000 tons as against 5,088 tons in 1937. The principal supplier was Japan with 1,369 tons (2,553), while 317 tons (493) came from the United Kingdom.

Mineral Oils were imported to a total of 12,546 tons (13,650), of which the United States shipped 6,894 tons (7,214), Germany 2,786 tons (2,672), and the United Kingdom 1,716 tons (2,092).

Cellulose Lacquers.—These imports amounted to 140 tons (137), of which 75 tons (54) originated in the United States, 26 tons (28) in Germany, 25 tons (37) in Sweden, and 9 tons (14) in the United Kingdom.

Automobile Tires.—These imports decreased to 472 tons (582). The bulk of this trade is credited to the United States, which shipped 243 tons (298); the United Kingdom supplied 92 tons (100), Belgium 47 tons (66), France 33 tons (14), Canada 21 tons (66), Germany 17 tons (22), Czecho-Slovakia 8 tons (6), and Italy 4 tons (5).

Rubber Soles and Heels.—These imports decreased to 86 tons (135), of which the United States supplied 26 tons (63), Belgium 24 tons (25), the United Kingdom 21 tons (25), Sweden 8 tons (9), Finland 4 tons (7), and Germany 2 tons (4).

Galoshes and rubber footwear imports also decreased, to 205 tons (281). The chief supplying countries were Sweden with 59 tons (79), Germany with 47 tons (40), Czechoslovakia with 40 tons (72), Canada with 16 tons (30), Finland with 13 tons (11), the United States with 12 tons (10), Japan with 10 tons (24), and the United Kingdom with 7 tons (14).

Rubber Sheets, Bars, Cords, Thread, Pipes, Hose, Rope, Blocks, Buffers and Rollers.—Imports decreased to 763 tons (1,099), of which the United Kingdom supplied 240 tons (329), the United States 223 tons (408), Germany 117 tons (177), Belgium 58 tons (31), Japan 27 tons (31), the Netherlands 18 tons (34), and Canada 8 tons (12).

PAPER PRODUCTS

Panelling and Insulation Board.—This is one of the most important groups of paper products mentioned in the Norwegian import statistics. The total imports amounted to 3,340 tons, a considerable increase as compared with the 2,402 tons imported during the previous year. The principal suppliers were Finland with 2,135 tons (1,415) and Sweden with 1,031 tons (792), while 99 tons (188) came from the United States, and 73 tons (nil) from the United Kingdom. No mention is made of Canada which in 1937 shipped 2 tons.

Wallpaper was imported to an aggregate of 338 tons (333), the bulk of this trade being divided between Germany and Sweden, which are credited with 147 tons (152) and 137 tons (135), respectively. Other suppliers were the United Kingdom with 26 tons (21), Belgium with 15 tons (6), Finland with 4 tons (13), Canada with 3 tons (2), and the United States with 2 tons (1).

MINERALS AND METALS AND MANUFACTURES THEREOF

Alumina.—These imports increased to 43,737 tons (38,015), of which Germany supplied 14,005 tons (6,683), the United States 10,966 tons (8,108), the United Kingdom 8,565 tons (16,174), Canada 5,401 tons (nil), and France 4,800 tons (7,050).

Graphite and carbon electrodes were imported to the extent of 5,490 tons (5,732), the most important supplier being Canada with 2,067 tons (2,416); 1,357 tons (977) came from the United Kingdom, 1,122 tons (1,327) from Germany, 539 tons (362) from France, 281 tons (476) from the United States, and 124 tons (174) from Sweden.

Raw aluminium imports increased heavily in 1938, totalling 901 tons as compared with only 57 tons in 1937. Practically all of the 1938 imports are credited to Canada, which supplied 890 tons (nil), while 5 tons (nil) came from the United States, 5 tons (nil) from Denmark, and 0.4 ton (55) from the United Kingdom.

Nickel Copper Matte.—These imports increased to 13,373 tons (11,979), all of which came from Canada, as was also the case in the previous year.

Raw copper, brass and nickel silver were imported to an amount of 803 tons (812), the bulk of which, 448 tons (434), came from the United States, while Canada supplied 127 tons (51), Belgium 108 tons (111), the United Kingdom 57 tons (68), and Denmark 42 tons (23).

Raw lead imports decreased to 3,156 tons (4,194), most of which came from Mexico, which is credited with 2,406 tons (3,358); Peru is credited with 203 tons (41), the United Kingdom with 183 tons (62), Belgium with 137 tons (107), and the United States with 106 tons (152). No mention is made of Canada which in 1937 shipped 356 tons.

Copper and bronze wire imports increased to 3,657 tons (3,333), most of which, 3,035 tons (2,915), came from the United States, while 437 tons (373) are credited to Sweden, 141 tons (26) to Canada, 24 tons (11) to Germany, and 12 tons (nil) to France.

Bolts and Screws of Iron and Steel.—These imports decreased to 917 tons (1,318), the principal supplying countries being Germany with 301 tons (436), the Netherlands with 263 tons (344), Sweden with 183 tons (314), and the United States with 41 tons (36).

Saws and Saw Blades.—The value of these imports decreased to 500,160 kroner (772,475), the principal supplier being Sweden which is credited with 277,778 kroner (457,854), while the United States shipped to a value of 76,213 kroner (126,180), Germany 70,789 kroner (88,975), and the United Kingdom 55,653 kroner (74,805).

Drills were imported to a value of 488,666 kroner (535,439), of which Sweden is credited with 161,070 kroner (151,591), the United Kingdom with 129,611 kroner (170,932), the United States with 93,834 kroner (79,860), and Germany with 90,860 kroner (117,860).

Miscellaneous Tools and Implements.—The value of these imports amounted to 5,630,996 kroner (5,835,901). The bulk of this trade was divided between Germany, Sweden and the United States, which are credited with 1,883,239 kroner (2,016,845), 1,400,656 kroner (1,531,513) and 1,146,752 kroner (1,083,442) respectively; the United Kingdom is credited with 460,366 kroner (556,983), Denmark with 227,661 kroner (224,444), France with 152,887 kroner (124,318), and Belgium with 114,823 kroner (39,461). Canada is credited with 5,230 kroner (nil).

VEHICLES, MACHINERY, ETC.

Passenger Automobiles.—The number of new passenger automobiles, bodies and chassis imported during 1938 increased to 7,267 (6,877) with a total value of 19,330,000 kroner (18,078,000), of which 2,938 (2,561) came from Germany, 1,614 (1,607) from the United States, 1,142 (1,697) from Denmark, 683 (243) from the United Kingdom, 468 (472) from France, 364 (261) from Italy, and 40 (nil) from Czecho-Slovakia. The number of second-hand passenger automobiles imported also increased, to 1,767 (1,640), valued at 2,506,000 kroner (2,219,000). Of these, 1,023 (652) came from the United Kingdom, 677 (915) from the United States, 28 (25) from Germany, 25 (31) from Canada, and 5 (7) from France.

Freight Automobiles.—The imports of new and second-hand freight automobiles, bodies and chassis decreased to 3,705 units (4,297) valued at 11,649,000 kroner (12,719,000), the most important supplier being the United States with 2,071 units (2,129), while 707 (1,345) came from Denmark, 421 (372) from Germany, 230 (176) from the United Kingdom, 214 (211) from Sweden, 42 (nil) from Italy, and 14 (31) from France.

Automobile and aeroplane parts were imported to an increased value of 7,878,101 kroner (6,593,918). The bulk of these imports originated in the United States, which is credited with 4,540,068 kroner (4,583,615). Germany is credited with 1,305,569 kroner (886,110), the United Kingdom with 793,964 kroner (731,826), Italy with 791,633 kroner (27,981), Sweden with 175,328 kroner (162,491), Denmark with 96,530 kroner (89,258), and France with 84,759 kroner (73,708).

Accumulators and parts were imported during 1938 to a total weight of 703 tons (695), of which 193 tons (215) are credited to the United States, 180 tons (185) to Germany, 176 tons (152) to the United Kingdom, 136 tons (122) to Sweden, 13 tons (9) to Denmark, and 7 tons (10) to Canada.

Conducting Wires.—Of these imports, which totalled 397 tons (391), the majority came from Germany, which supplied 248 tons (245), while Belgium supplied 66 tons (84), Sweden 42 tons (32), Denmark 13 tons (4), the United States 10 tons (13), the United Kingdom 8 tons (4), Switzerland 5 tons (5), and Canada 2 tons (2).

Mowing Machines and Parts.—The value of these imports amounted to 1,324,675 kroner (1,331,185), the principal supplier being Sweden with 1,096,258 kroner (1,084,128), while Germany is credited with 97,724 kroner (41,914), France with 52,938 kroner (121,462), Canada with 51,802 kroner (62,963), and the United States with 19,449 kroner (9,636).

Tractors were imported to an increased value of 1,809,699 kroner (1,512,015), the most important suppliers being the United States and the United Kingdom, which are credited with 1,042,033 kroner (467,406) and 679,722 kroner (966,352), respectively. Germany's share of this trade was valued at 84,933 kroner (37,762), and Canada's share at 524 kroner (35,892).

Cash Registers and Parts.—The value of these imports amounted to 522,832 kroner (448,476), the United States shipping for 339,508 kroner (246,994), Germany for 154,835 kroner (160,692), Sweden for 20,205 kroner (30,857) and Canada for 6,420 kroner (8,551).

Adding and calculating machines and parts were imported to a total value of 1,188,482 kroner (1,308,147). Most of this trade was divided between the United States and Sweden, which are credited with 589,491 kroner (710,760) and 480,480 kroner (489,711), respectively, while Germany's share was 86,820 kroner (86,835) and that of Switzerland 21,210 kroner (18,868).

Typewriters and Parts.—The value of these imports totalled 1,531,098 kroner (1,599,360), the United States being credited with 1,044,742 kroner (1,104,810), Germany with 383,446 kroner (388,599), Switzerland with 56,290 kroner (54,252), Sweden with 21,791 kroner (28,112), and the United Kingdom with 20,384 kroner (20,063).

Machine Belting of All Kinds.—These imports decreased in value during 1938 to 416,315 kroner (606,343), the United States being credited with 121,399 kroner (190,733), the United Kingdom with 119,310 kroner (213,752), Sweden with 64,693 kroner (94,133), Germany with 61,317 kroner (60,071), and Canada with 18,115 kroner (5,238).

**CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1933; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF NOVEMBER, 1938 AND 1939, AND ELEVEN MONTHS
ENDED NOVEMBER, 1938 AND 1939)**

Note:—The descriptions of commodities used in the following table are taken from Canadian statistical classification of exports and in many instances are not identical with the terms of the concessions secured in the trade agreement, which are based on United States tariff classification. In cases where the two classifications vary materially, the tariff rates quoted apply to the commodities for which statistics are given only as and to the extent indicated. A number of products affected by the agreement are not included in the table because statistics are not available.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS BRANCH)

Commodities	Quantities				Value				Before first Agreement, i.e., 1935	United States Tariff	
	Month of November		Eleven months ended November		Month of November		Eleven months ended November				
	1938	1939	1938	1939	1938	1939	1938	1939			
AGRICULTURAL AND VEGETABLE PRODUCTS											
Fruits and vegetables—											
Blueberries, frozen.....	162,930	314,595	1,325,252	2,998,274	8,845	18,399	85,897	205,039	35% ad val.	17½% ad val.	
Blueberries, fresh, n.o.p.....	67,400	5,631	2,573,239	2,578,576	3,456	113	154,992	139,063	1½c. per lb.	1c. per lb.	
Certified seed potatoes.....	314,169	306,574	601,647	608,704	273,056	278,580	464,375	559,706	75c. per 100 lbs.	37c. per 100 lbs., March 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.	
Potatoes, n.o.p.....	32,758	18,152	176,096	201,368	19,728	13,488	90,958	121,674	75c. per 100 lbs.	37c. per 100 lbs., Mar. 1 to Nov. 30; 60c. per 100 lbs., Dec. 1 to last day of Feb.	
Turnips.....	423,243	413,037	2,063,614	1,942,457	124,920	164,925	710,975	733,197	25c. per 100 lbs.	12½c. per 100 lbs.	
Grains and farinaceous products—											
Barley.....	80,520	1,793,700	1,556,219	4,772,219	28,988	850,541	556,287	2,208,016	20c. per bu.	15c. per bu.	
Oats.....	647	1,653,323	8,377	4,624,424	356	587,992	4,278	1,569,992	16c. per bu.	8c. per bu.	
Rye.....	39	605,276	280,483	2,268,398	9	338,529	113,025	1,042,828	15c. per bu.	12c. per bu.	
Bran, shorts and middlings.....	111,621	593,296	254,525	4,252,133	88,209	585,369	202,587	4,021,269	10% ad val.	5% ad val.	
Cereal foods, prepared.....	153,391	85,832	1,150,178	1,589,945	7,127	6,944	73,635	64,671	20% ad val.	10% ad val.	
Malt.....					137,788	62,724	1,205,409	1,382,488	40c. per 100 lbs.	40c. per 100 lbs., if barley malt; malt.	
Screenings (grain).....	274,675	267,171	913,591	1,361,564	23,406	57,946	140,913	241,844	10% ad val.	5% ad val.	
Maple syrup.....	151	114	3,706	203,066	249	266	9,946	236,229	4c. per lb.	2c. per lb.	
Maple sugar.....	129,565	10,082	7,433,694	7,563,046	22,562	1,964	1,189,459	1,175,535	6c. per lb.	3c. per lb.	
Whiskey.....	246,515	127,308	2,180,806	1,246,123	1,225,514	658,140	9,238,260	6,731,862	\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years.	

Seeds—									
Clover seed, alfalfa.....	Bu.	5,495	8,977	25,797	36,158	50,885	90,320	361,346	389,346
Clover seed, alsike.....	Bu.		830	4,760	4,760		6,721	36,330	36,330
Clover seed, red.....	Bu.	178		10,734	37	738		161,314	4c. per lb.
Clover seed, sweet (a).....	Bu.		22,809	88,929	88,929		36,532	151,837	4c. per lb.
Grass seed.....	Bu.	14,323	73,367	89,265	209,049	20,441	96,311	383,037	2c. per lb. if timothy; 40c. per lb. if bent grass; 20c. per lb. if bent grass, 5c. per lb. if blue grass; 2½c. per lb. if blue grass, 2c. per lb. if wheat grass.
Beet pulp (a).....	Cwt.		116,845		100,165		160,638	219,644	1c. per lb. if bromo grass.
Hulls of grain (a).....	Cwt.		20,000		157,529		9,036	69,073	\$5.75 per ton (2,240 lbs.) 5c. per 100 lbs.
Mixed feeds (a).....	Ton	2,078	6,254	17,042	43,459	16,943	58,861	320,927	10% ad val. 5% ad val.
Straw.....	Ton	328	1,154	2,373	6,663	1,133	4,583	26,260	\$2.50 per ton (2,000 lbs.) \$1.50 per ton (2,240 lbs.) if flax straw; 75c. per ton (2,000 lbs.) if otherwise.
ANIMALS AND ANIMAL PRODUCTS									
Animals, living—									
Cattle for improvement of stock.....	No.	854	1,301	8,033	8,915	94,776	107,753	802,475	Free.
Cattle, dairy, weighing over 700 lbs.....	No.	823	673	6,542	8,186	53,549	41,258	529,157	1½c. per lb.
Cattle, n.o.p., weighing less than 200 lbs.....	No.	2,088	2,743	46,317	82,138	49,716	54,140	1,325,683	2½c. per lb. 2½c. per lb. on imports in excess of 100,000 head during any calendar year.
Cattle, n.o.p., weighing over 700 lbs.....	No.	18,564	16,493	69,401	173,653	977,496	954,153	3,907,390	1½c. per lb.; 3c. per lb. on imports in excess of 225,000 head during any calendar year, or 60,000 head during any quarter (b) not more than \$150; 20% ad val. if valued at more than \$150; 4c. per lb. 1c. per lb.
Horses, n.o.p.....	No.	312	192	5,246	5,243	34,435	23,829	654,951	Free. 1½c. per lb. 2½c. per lb. on imports in excess of 100,000 head during any calendar year.
Poultry, n.o.p.....	No.	21,386	11,843	280,153	107,724	16,198	9,999	190,454	628,175
Swine, n.o.p.....	No.	1	1	200	32	7	18	1,333	\$30 per head if valued at not more than \$150; 20% ad val. if valued at more than \$150; 4c. per lb. 1c. per lb.
Fish, fresh and frozen—									
Clams and oysters, fresh.....	Cwt.	2,424	2,005	30,188	25,705	2,554	2,105	35,420	34,609
Scallops, fresh and frozen (a).....	Cwt.		53		2,009		704		Free.
Cod, haddock, pollock, hake and cusk, fresh and frozen.....	Cwt.	6,754	7,239	66,559	117,436	37,217	42,102	413,823	Free. 3c. per lb. without fins removed (not filleted); 1c. per lb. with fins re- moved (not filleted); 1½c. per lb. subject to quota (also applies to rose fish), (filleted).
Eels, fresh and frozen.....	Cwt.	2,705	2,744	4,721	5,298	22,782	21,663	36,539	37,916
Haitbut, fresh and frozen.....	Cwt.	1,392	2,503	54,704	55,604	13,717	27,690	539,447	1c. per lb.
Herring, sea, fresh and frozen.....	Cwt.	26,879	19,325	144,945	311,953	148,399	26,641	148,399	566,390
Lobsters, fresh.....	Cwt.	511	1,121	98,278	98,763	19,472	27,488	1,807,068	2c. per lb. 285,456
Mackerel, fresh and frozen.....	Cwt.	1,026	2,004	12,114	14,436	4,854	14,448	66,940	Free. 1,857,978
Salmon, fresh and frozen.....	Cwt.	1,169	6,438	55,117	59,128	8,917	43,531	564,776	1c. per lb. if fresh; 1½c. per lb., if frozen.
Smelts, fresh and frozen.....	Cwt.	7,560	4,509	52,163	56,496	10,530	513,503	533,807	1c. per lb.
Sturgeon, fresh and frozen.....	Cwt.	273	1,022	3,164	5,278	10,452	38,850	192,676	Free. 3c. per lb., if not frozen.

(a) From January 1, 1939.

(b) Quota for period April 1—Dec. 31, 1939 (165,000 head), allocated 86.2 per cent to Canada and 13.8 per cent to other countries, equivalent to 142,230 head to Canada and 22,770 head to other countries. Maximum quarterly quota (60,000 head) allocated on same basis: Canada 51,720 head, other countries 8,280 head.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF NOVEMBER, 1933 AND 1939, AND THE ELEVEN MONTHS ENDED NOVEMBER, 1933 AND 1939)—Continued

Commodities	Quantities				Value				United States Tariff	
	Month of November		Eleven months ended November		Month of November		Eleven months ended November		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)
	1938	1939	1938	1939	1938	1939	1938	1939		
ANIMALS AND ANIMAL PRODUCTS—Con.										
Fish, fresh and frozen—Con.										
Swordfish, fresh and frozen.....Cwt.	27	242	13,005	18,132	531	3,390	158,539	246,269	2c. per lb.	1c. per lb., if not frozen.
Fresh-water fish, other, fresh and frozen.....Cwt.	47,450	48,726	501,093	523,923	462,008	446,538	4,559,694	4,390,288	1c. per lb. (not filleted); 2½c. per lb. (filleted).	1c. per lb. (not filleted); 2½c. per lb. (filleted).
Fish, salted, dried, smoked, or pickled—										
Cod, haddock, pollock, hake and cusk, dried.....Cwt.	14,483	19,497	74,121	74,493	96,880	141,715	481,644	506,675	1½c. per lb., if containing not more than 43% moisture.	1c. per lb., if containing not more than 43% moisture.
Cod, pollock, hake, and cusk, green-salted.....Cwt.	21,193	19,852	105,570	144,565	67,798	62,393	299,219	406,701	1½c. per lb., if containing more than 43% moisture.	1c. per lb., if containing more than 43% moisture.
Cod and haddock, smoked.....Cwt.	3,656	1,499	23,738	27,248	29,944	16,781	233,851	243,881	2c. per lb., if skinned or boned.	1½c. per lb., if skinned or boned.
Herring, sea, pickled.....Cwt.	2,125	6,018	8,956	13,600	6,457	17,107	28,576	40,125	1c. per lb. (not filleted); 1½c. per lb. (filleted).	1c. per lb. (not filleted); 1½c. per lb. (filleted).
Herring, sea, smoked.....Cwt.	178	2,614	6,262	11,231	1,802	25,290	30,321	88,773	1c. per lb., net weight.	1c. per lb., net weight.
Mackerel, pickled.....Cwt.	8,261	10,330	24,184	28,809	39,721	55,293	124,919	137,763	1½c. per lb., if not boned.	1c. per lb., if not boned.
Salmon, pickled.....Cwt.	264	1,181	2,306	3,705	3,063	25,122	36,409	80,517	1c. per lb., net weight.	1c. per lb., net weight.
Salmon, smoked.....Cwt.	2	1	26	29	34	12	634	558	25% ad val.	12½% ad val.
Fish, canned—										
Lobsters, canned.....Cwt.	106	717	4,642	7,116	5,300	23,789	232,484	312,129	Free.	Free.
Fur skins, undressed—										
Beaver, fisher, lynx, mink, muskrat, and wolf skins, undressed.....No.	10,663	66,555	555,205	722,269	57,795	151,252	2,018,470	2,725,602	Free.	Free.
Fox skins, black and silver, undressed.....No.	473	8,565	7,885	34,567	9,781	151,487	200,654	692,642	50% ad val.	37½% ad val.
Hair and bristles.....Sq. ft.					21,658	26,965	238,249	239,072	Free.	Free.
Leather, patent.....Sq. ft.					406,660	2,654,218	10,655	527,006	15% ad val.	7½% ad val.
Meats—										
Bacon and hams, shoulders and sides.....Cwt.	483	364	6,153	5,062	18,025	11,822	226,838	170,202	1c. per lb.	2c. per lb., if fresh or chilled.
Pork, fresh, chilled and frozen.....Cwt.	1,547	2,352	21,999	20,676	33,761	44,191	407,399	401,044	1½c. per lb.	1c. per lb., if fresh or chilled.
Pork, dry-salted.....Cwt.	1		71	1	31		836		2c. per lb.	2c. per lb.
Pork, pickled, in barrels.....Cwt.			262			8,544	4,447	113,627	1c. per lb., but not less than 20% ad val.	3c. per lb., but not less than 15% ad val.
Edible animal entrails, n.o.p. (a).....Cwt.		926		6,050					1c. per lb., but not less than 35% ad val.	4c. per lb., but not less than 25% ad val. if cheddar cheese, not further processed than divided into portions.
Milk products—										
Cheese.....Cwt	1,354	8,278	17,077	63,344	25,390	120,490	299,235	909,851		28½c. per gal.
Cream.....Gal			5,096	4			11,153	2	56½c. per gal.	50½c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.

Milk, fresh.....Gal.	264	256	2,382	2,914	88	75	847	1,035 04c. per gal.....	31c. per gal.; 64c. per gal. on imports in excess of 3,000,000 gals. during any cal- endar year. 24c. per gal. if sperm oil.
Whale oil.....Gal.			457,274				144,196		
WOOD, WOOD PRODUCTS AND PAPER									
Christmas trees.....					15,153	46,506	17,659	65,093	10% ad val.....
Fence posts.....No.	17,097	44,232	535,619	879,039	1,950	3,949	48,524	77,084	Free.
Telegraph and telephone poles.....No.	39,835	42,812	310,195	346,217	123,845	117,800	987,896	1,037,226	Free.
Railroad ties.....No.	21,935	26,682	245,493	173,558	18,370	19,580	198,628	124,799	Free.
Firewood.....Cord	9,280	9,264	58,295	64,292	47,838	47,619	303,820	337,051	Free.
Laths.....M	20,811	18,401	146,962	166,354	78,550	60,271	482,735	492,707	Free.
Logs.....M ft.	15,138	38,978	131,270	194,833	153,846	508,831	1,476,771	2,333,213	Free.
Pickets.....M	2,950	2,111	31,538	27,681	18,784	16,999	223,922	211,183	Free.
Piling.....Lin. ft.	52,405	93,613	644,212	407,612	2,912	7,526	38,630	26,611	\$1 M ft. b.m. if fir, spruce, pine, hemlock, or larch. Free if other kinds.
Planks and boards and square timber— Flooring of hardwood.....M ft.	4	2	173	192	275	129	8,478	11,012	87% ad val. if maple, birch or beech.
Planks and boards, hardwood, n.o.p., and square hardwood timber.....M ft.	3,856	8,273	26,784	47,427	154,649	340,782	1,082,506	1,957,186	Free, but subject to \$3 M ft. b.m. revenue tax.
Planks and boards and square timber, softwood.....M ft.	43,766	59,027	386,934	534,786	1,074,173	1,606,905	9,610,131	13,616,543	\$1 M ft. b.m. and \$3 50c. M ft. b.m. and \$1.50 M ft. b.m. revenue tax, if fir, spruce, pine, hemlock or larch. (Western white spruce, Northern white pine and Norway pine ex- empt from revenue tax).
Pulpwood.....Cord	61,143	122,038	1,223,354	1,001,095	513,609	978,825	10,016,426	8,074,924	Free, but subject to \$3 M ft. b.m. revenue tax if other woods.
Shingles.....Square	12,647	253,374	1,809,555	2,777,158	37,029	704,596	4,904,257	7,782,422	Free.
Staves and headings.....					1,157	1,654	11,015	16,161	Free if staves.....
Wood pulp.....Cwt.	1,028,441	1,454,765	8,226,058	10,631,861	2,364,174	3,150,261	19,506,161	23,773,028	Free.
Paper— Book paper and newsprint, side runs and side rolls.....Cwt.	50,498	124,099	320,173	478,748	53,012	156,323	334,604	549,245	1c. per lb. and 10% ad val. 10% ad val.....
Hanging paper, not printed (a).....									7½% ad val.
Newsprint paper.....Cwt.	4,062,787	4,423,109	35,297,794	39,700,414	9,045,912	9,758,919	77,556,039	87,358,830	Free.
Pulpboard for wallboard (a).....Cwt.		12,498		183,478		22,449		326,023	10% ad val. if pulboard in rolls, not processed; \$14.50 per ton (2,000 lbs.) but not less than 15% or more than 30% ad val. if pulboard in rolls, processed.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1939; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF NOVEMBER, 1938 AND 1939, AND THE ELEVEN
MONTHS ENDED NOVEMBER, 1938 AND 1939)—Concluded

Commodities	Quantities				Value				United States Tariff	
	Eleven months ended November		Month of November		Eleven months ended November		Before first Agreement, i.e., 1935	Canada-United States Agreement, (Jan. 1, 1939)		
	Month of November	1938	1939	1938	1939	1938			1939	
IRON AND ITS PRODUCTS										
Castings of iron and steel, n.o.p.....Cwt.	59		1,431	2,216	356	315	14,456 20% ad val. if of iron....	10% ad val. if of iron		
Farm implements and machines and parts (except "Garden and farm tools" and "Spades and shovels and parts").....Ton	481	957	5,978	7,686	63,124 17,723	109,750 18,878	1,710,858 Free. 192,983 2c. per lb. on silicon content.	Free. 1c. per lb. on silicon content when containing 80% but less than 30% of silicon. 75c. per ton (2,240 lbs.).		
Spiegeleisen (a) (see "Ferro-manganese and other ferro-alloys, n.o.p.").....Ton		3,462		35,833		122,375	1,097,678 75c. per ton (2,240 lbs.).			
Ferro-manganese and other ferro-alloys, n.o.p. (included "Spiegeleisen" prior to January 1, 1939).....Ton	3,581	126	12,336	536	114,183	4,801	20,673 1½c. per lb. on manganese content if ferro-manganese; 24c. per lb. on chromium content when containing not less than 3% of carbon if ferro-chrome. (Reduced to 1½c. per lb., Swedish Agreement, Aug. 5, 1935).	1c. per lb. on manganese content when containing not less than 4% of carbon if ferro-manganese; 1½c. per lb. on chromium content when containing not less than 3% of carbon, if ferro-chrome. 15% ad val.		
Skates.....Pair	60,507	52,914	240,448	433,909	47,327	43,534	330,128 20% ad val.....			
NON-FERROUS METALS AND PRODUCTS										
Aluminum in bars, blocks, ingots, sheets, etc.....Cwt.		22,287	39,185				537,337 4c. per lb., if crude....	3c. per lb., if crude.		
Aluminum scrap.....Cwt.	1,200	5,236	9,272	60,128	9,083	1,540	80,078 4c. per lb.	3c. per lb.		
Cadmium (a).....Lb.							30,064 15c. per lb.	15c. per lb.		
Cobalt, contained in ore.....Cwt.		68	560	678		6,462	51,070 Free.	Free.		
Cobalt, metallic.....Lb.	19,548	80,779			28,406			Free.		
Nickel, contained in oxide.....Cwt.	1,076	3,199	13,878		22,453	18,489	301,737 Free.	Free.		
Nickel, fine.....Cwt.	56,898	112,067	398,077	880,662	1,420,133	3,076,984	22,862 4½c. per lb.	2½c. per lb.		
Selenium and salts of (a).....Lb.		8,400	101,196			12,600	154,797 Free.	Free.		
Zinc, contained in ore.....Cwt.							1½c. per lb. on zinc content.	1½c. per lb. on zinc con		
Zinc spelter.....Cwt.	11,521	20,142	41,115	114,744	35,330	71,197	376,349 1½c. per lb.	1½c. per lb.		
NON-METALLIC MINERALS AND PRODUCTS										
Abrasive, artificial, crude, including carborundum.....Cwt.	73,627	152,572	935,780	1,129,456	189,199	440,958	2,995,033 Free.	Free.		
Asbestos, and asbestos sand and waste.....Ton	17,230	23,966	151,315	202,402	538,076	859,264	6,729,518 Free.	Free.		

PAYMENT FOR CANADIAN EXPORTS

From letters received from a number of Canadian Trade Commissioners, it appears that the regulations of the Foreign Exchange Control Board with regard to the currencies in which payment may be received for exports from Canada are not yet thoroughly understood by all Canadian exporters. It is hoped that publication of the following memorandum of the Foreign Exchange Control Board, Ottawa, outlining its policy in this connection will assist in clearing up misunderstandings on the part of Canadian exporters that have caused some anxiety amongst importers in various countries.

Foreign Exchange Control Board

MEMORANDUM OF POLICY: EXPORTS

It is one of the prime objectives of foreign exchange control that all foreign exchange arising from exports of merchandise from Canada should be made available to the Foreign Exchange Control Board, to be used as the national interest may require. Canada can only purchase from foreign countries goods, commodities, war materials, etc., by supplying cash in various foreign markets. Obviously, the main source from which Canada can obtain necessary foreign cash is out of exports to foreign markets, or by liquidating in foreign markets the foreign assets owned by Canadian residents. Having in mind, therefore, that the Foreign Exchange Control Order is a war measure considered necessary by reason of the war effort confronting this country, it is of prime importance that everything be done to ensure that the Board actually obtains the foreign exchange which ought to be produced by this country's exports.

When Canada's exporters ship for payment in Canadian dollars the foreign importer, or his bank, naturally obtains the Canadian dollars which they require in the "unofficial" market, because the discount on Canadian exchange in that market is often greater than that quoted by the Board. This situation is brought about by a desire on the part of the non-residents, owning Canadian dollar balances, to secure foreign exchange—or, in other words, to export their money from Canada. The Foreign Exchange Control Board will not provide foreign exchange to those who desire to export their capital from this country, so that the non-resident who wishes to do so must resort to the unofficial market. It follows that if foreign exchange control is to be effective the utmost effort must be made to prevent Canadian exports being paid for by funds acquired through this unofficial market. Every export which is paid for by a transaction in this unofficial market means that Canada fails to acquire from exports the foreign exchange which should be forthcoming. With this in mind the Board has adopted a general policy that all exports from Canada should be sold only for payment in foreign exchange, but in the course of applying that policy has made the following major qualifications in order that existing trade practices be disturbed as little as possible:—

- (a) In the case of exports to countries elsewhere than the British Empire the payment may be either in *U.S. dollars* or in the currency of the country of import, provided that such currency is freely convertible. It should be noted that the currency of the country of import need only be obtained when the exporter finds that more convenient, as the payment of *U.S. dollars* for such exports is quite satisfactory for the purposes of the Board. (It should be remembered that if price lists are issued in terms of Canadian dollars subject to eventual payment in *U.S. dollars*, the conversion rate which should be applied is the official buying rate for *U.S. dollars* quoted by the Board.)

- (b) Exports to all countries in the British Empire may continue to be shipped for payment in Canadian dollars or pounds sterling.

(*Note.*—The exception to the general rule here is made possible by reason of the fact that the Board has been able to ensure through the Exchange Controls operating in British Empire countries that if Canadian dollars are obtained by the importers of such countries, they will not be purchased in the unofficial market. In order to make this arrangement effective, however, it is essential that payment for such exports be made only through a bank in the country of import and this requirement is consequently a special condition of the "Control Permit—Canadian payment" which is issued to those Canadian exporters who wish to continue a trade practice of shipping to British Empire countries for payment in Canadian dollars.)

In connection with exports to countries elsewhere than the British Empire the Board finds it necessary to require that they shall produce foreign exchange. Those exporters who have been in the habit of making all their shipments for payment in Canadian dollars may experience some inconvenience from a change of this character, but under present circumstances this can hardly be avoided. The Board will, however, be glad to consider any suggestions which exporters may care to make in the interest of maintaining their trade, subject only to the essential condition that the Board can be satisfied that foreign exchange is being obtained for these exports. Exporters should also have in mind that many countries have established foreign exchange control so that foreign importers will be becoming more and more familiar with the requirements of control and will understand the reason for changes in former business practice.

The Board has provided facilities through Authorized Dealers (i.e. any bank in Canada), whereby exporters may, if they wish, arrange a hedge on the exchange risk which may arise through sales for payment in foreign exchange, so that if it is felt that the risk in exchange is an important factor such exchange may be sold forward for delivery on the approximate date of receipt, provided, of course, that the forward sale is for a reasonable period. In this way exporters may fix the rate of exchange on the transaction and thus provide insurance against any fluctuations in rates before payment is actually received. Any bank in Canada will be glad to give further particulars in connection with such hedges.

The Board is anxious that all exporters should understand the reasons for the policy which is being pursued as it feels certain that such an understanding will ensure the whole-hearted co-operation of all concerned. Further the Board wishes to emphasize that it is prepared to do everything possible to help in overcoming difficulties with which exporters may be faced in the light of changed conditions.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

SUBSIDY FOR MANUFACTURE OF MOTOR CARS

Mr. L. M. Cosgrave, Canadian Government Trade Commissioner in Sydney, Australia, cabled on December 14 as follows:—

Commonwealth Government announce allocation £1,500,000 Australian as subsidy for motor car manufacture. The subsidy will be £30 per engine for the first 20,000 units 15 horsepower or more payable when the first 8,000 units are produced. There are progressive reductions in bounties up to 60,000 units.

TARIFF AMENDMENTS

Amendments to the Australian customs tariff, effective December 7, 1939, include the following changes in rates of duty:—

Item No. 176-O, lifting jacks: British preferential tariff 5s. 6d. each or, if it will yield higher duty, 25 per cent ad valorem; rate to Canada 6s. 6d. each or, if higher, 25 per cent ad valorem; intermediate tariff (not at present applicable to any country) 6s. 6d. each or, if higher, 45 per cent ad valorem; general tariff (applicable to all non-British countries) 7s. 6d. each or, if higher, 65 per cent ad valorem. The primage duty is 5 per cent ad valorem under the British preferential tariff and to Canada, and 10 per cent ad valorem under the intermediate and general tariffs.

The former rates on lifting jacks were 1s. 6d. each or 25 per cent ad valorem under the British preferential tariff (applicable to Canada), 3s. each or 45 per cent under the intermediate tariff, and 3s. 6d. each or 65 per cent ad valorem under the general tariff. Primage duties were 5 per cent, 10 per cent, and 10 per cent ad valorem, respectively.

A new item, No. 20SK, covers "cooking stoves and ranges, esse aga and similar fuel stoves operated by heat storage principle." British preferential tariff (applicable to Canada) 25 per cent ad valorem, intermediate tariff 42½ per cent ad valorem, general tariff 47½ per cent ad valorem. Primage duty rates are 5 per cent, 10 per cent, and 10 per cent ad valorem, respectively.

Stoves in general (except electric, gas, and oil stoves), are dutiable under item 20SA2 at 45 per cent ad valorem under British preferential tariff (applicable to Canada) and 65 per cent ad valorem under the intermediate and general tariffs, with primage duties of 5 per cent and 10 per cent ad valorem, respectively.

Glycerine, refined or unrefined (item 289A), is made free of ordinary duty under the British preferential tariff (applicable to Canada), and dutiable at 15 per cent ad valorem under the intermediate and general tariffs. Primage duty is 5 per cent and 10 per cent ad valorem, respectively.

Formerly, unrefined glycerine was dutiable at 20 per cent ad valorem under the British preferential tariff and 30 per cent ad valorem under the general tariff, while refined glycerine paid 30 per cent ad valorem under the British preferential tariff and 45 per cent ad valorem under the general tariff. Primage duty was 5 per cent and 10 per cent ad valorem under respective tariffs. The British preferential tariff applied to Canada. No rates had been fixed for the intermediate tariff.

ADMINISTRATION OF IMPORT LICENSING REGULATIONS

With reference to announcements in the *Commercial Intelligence Journal* of December 9, page 1110, and December 16, page 1162, respecting conditions under the new Australian import licensing regulations for admitting goods in transit or on order before December 1, Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, has cabled some additional information.

The new advices in regard to goods in categories A, B, C, are: goods ordered, and order accepted, prior to December 1, may be imported without obstacle before April 30. If in excess of 25 per cent of imports during the basic year, such excess will be deducted from subsequent quotas but not otherwise. Applications for A, B, C goods will be accepted up to January 31 and licences issued are good for six months from date of issue.

As regards goods in category D, which were to be admitted in normal quantities if orders were accepted by overseas suppliers prior to November 1 and the goods arrived by March 31, the Trade Commissioner advised that D goods were to be considered only and that no applications for licence would be considered after December 18.

South Africa

NEWFOUNDLAND ACCORDED DUTY-FREE ENTRY ON NEWSPRINT

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, writes that under the provisions of a trade agreement the Union of South Africa grants Newfoundland duty-free entry under the minimum tariff on newsprint in reels or in the flat, effective October 19. Previously newsprint from Newfoundland was dutiable at 5 per cent ad valorem under the intermediate tariff.

Canada, United Kingdom and Newfoundland are now accorded duty-free entry on newsprint. Newsprint from all other countries is subject to the intermediate tariff rate of 5 per cent ad valorem.

For the year 1938 imports of newsprint into the Union of South Africa amounted to 728,892 centals (100 lbs.). Of this quantity Canada supplied 413,618 centals and the United Kingdom 308,684 centals. No imports are shown as having originated in Newfoundland.

France

FLOUR MIXING REGULATIONS

Mr. Hercule Barré, Commercial Attaché in Paris, writes that a decree published in the French *Journal Officiel* of November 14, 1939, permits small millers grinding less than 300 tons of flour per year to incorporate up to 2 per cent of rye in their flour mix. The mixture must be indicated on the label.

Belgium

EMERGENCY LEGISLATION AFFECTING IMPORT, EXPORT AND TRANSIT OF GOODS

Mr. Maurice Belanger, Assistant Commercial Attaché in Brussels, writes that a series of emergency laws and decrees has been enacted in Belgium to regulate by licence the import, export and transit of certain goods.

As regards imports, the following are the leading items for which it is provided that licences may be required in future under this emergency legislation, but these requirements have not yet been put into force:—

Animal products of all kinds, including meat and preparations of meat, dairy products, eggs, fish, preparations of fish and fish meal, animal grease and oils, etc.; cereals and cereal products, including bread biscuits and cake; coffee; potatoes; fresh, preserved and powdered vegetables; fresh, dried and preserved fruit; jams, jellies, marmalades, etc.; sugar; vegetable fats and oils; salt; chemical fertilizers; all arms and munitions, explosives and all raw materials used in the manufacture of explosives; telephone and telegraph apparatus, including wires and cables; dredging material; locomotives, trucks and tractors; coal; raw and refined petroleum products; raw and manufactured hides and skins; tanning substances; raw wool, raw cotton and raw jute and all textile goods generally; crepe rubber and rubber in sheets and all rubber goods; all non-ferrous minerals and metals; pig iron and ferro-metallic alloys; ferrous ores and metals; asbestos and asbestos products; mica and manufactures; jute bags; chloride of lime; pharmaceutical preparations, including serums and all chemical products generally; medical and surgical instruments and apparatus; wood in logs or sawn; wood-pulp; lime and cement; soap; alcoholic beverages; matches; dyes and colouring substances, paints, lacquers, varnish and putty; tobacco and manufactures of tobacco; cork and manufactures thereof; fire-fighting apparatus; gas masks.

Licences are now required for the export from and transit through Belgium of a great number of goods. This requirement applies to the export of goods of Belgian origin or of foreign origin when they are re-exported after being warehoused in Belgium or after being partly manufactured or transformed in Belgium. Certain goods of foreign origin also require a licence when they go through Belgium in "direct" transit for a foreign country without being warehoused in Belgium. A list of the goods affected by these regulations is on file in the Department of Trade and Commerce, Ottawa.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, New Zealand, for equipment required by the Public Works Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 60, Hamilton District. 110 kv. outdoor switch-gear and steelwork, complete with necessary insulators and accessories, to specification (tenders close February 13, 1940).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 18, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 18, 1939, and for the week ending Monday, December 11, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 11	Nominal Quotations in Montreal Week ending Dec. 18	Official Bank Rate
Belgium	Belga	.1001	\$.1829	\$.1846	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2142	5½
Finland	Markka	.0252	.0201	.0201	4
France	Franc	.0392	.0246	.0248	2
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0079	6
Holland	Guilder	.4020	.5892	.5902	3
Hungary	Pengo	.1749	.2942	.2942	4
	Unofficial		.1954	.1954	—
Italy	Lira	.0526	.0560	.0560	4½
Yugoslavia	Dinar	.0176	.0251	.0252	5
Norway	Krone	.2680	.2520	.2521	4½
Portugal	Escudo	.0442	.0400	.0401	4-4½
Roumania	Leu	.0060	.0078	.0079	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2641	.2642	2½
Switzerland	Franc	.1930	.2489	.2491	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2005	.1894	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0246	.0248	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0246	.0248	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2536	.2520	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0558	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6328	.6325	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
	Controlled		.7307	.7307	—
	Uncontrolled		.4107	.3992	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0809	.0844	—
Hongkong	Dollar	.....	.2706	.2727	—
India	Rupee	.3650	.3363	.3363	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.3993	.3992	—
Straits Settlements	Dollar	.5678	.5106	.5134	—
Australia	Pound	4.8666	3.5800	3.5800	—
New Zealand	Pound	4.8666	3.5900	3.5900	—

The Dominion Bureau of Statistics has supplied the following note:—

Showing most of their strength in the final days of the week ended December 18, both sterling and the Canadian dollar finished substantially higher in terms of United States funds at New York. Sterling free rates stiffened to \$3.95 on December 18 for a net gain of 1½ cent, while Canadian funds, which opened at 87 cents, subsequently improved to 88½ cents for a gain of 1½ cent. Moderate improvement and closer alignment for sterling and French franc forward rates followed an official announcement that the Governments of Great Britain and France had signed a financial accord whereby the currencies of the two countries would be stabilized at 176½ francs to the pound sterling until six months after the signature of a peace treaty. At Montreal French francs closed 2 points higher at 2.48 cents. Neutrals were firmer also, Belgian belgas finishing 17 points higher at 18.46 cents and Dutch florins 10 points at 59.02 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

- Secretary, Board of Trade—
Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.
- Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
- Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.
- Secretary, Chamber of Commerce—
Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.
- Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.
- Victoria, B.C.
Prince Rupert, B.C.
- Windsor Chamber of Commerce, Windsor, Ont.
Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.
Department of Industry, Brantford, Ont.
Industrial Commissioner, Stratford, Ont.
La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.
Secretary, Canadian Manufacturers Association—
Toronto, Ont.
Montreal, P.Q.
- Winnipeg, Man.
Edmonton, Alta.
- Vancouver, B.C.
Victoria, B.C.
- Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Pork and Beans (Canned).....	612	Bristol, England.....	Purchase and Agency.
Corned Beef.....	613	Cairo, Egypt.....	Purchase and Agency.
Canned Sardines.....	614	Tel-Aviv, Palestine.....	Agency.
Canned Sardines.....	615	Beirut, Syria.....	Purchase and Agency.
Canned Sardines.....	616	Cairo, Egypt.....	Purchase and Agency.
Canned Pilchards.....	617	Cairo, Egypt.....	Purchase and Agency.
Miscellaneous—			
Lingerie Satin and Crepe.....	618	Dublin, Ireland.....	Purchase.
Crepe Paper.....	619	Singapore, Straits Settlements.....	Purchase.
Wrapping Paper (Sulphite, Kraft)	620	Quito, Ecuador.....	Agency.
Paper (Bond, Ledger, Sulphite, Writing).....			
Wallpaper.....	622	Quito, Ecuador.....	Agency.
Safety Pins.....	623	Baghdad, Iraq.....	Agency.
Boot Polish.....	624	Baghdad, Iraq.....	Agency.
Safety Razors and Razor Blades.	625	Baghdad, Iraq.....	Agency.
Padlocks.....	626	Baghdad, Iraq.....	Agency.
Machine Needles.....	627	Cairo, Egypt.....	Purchase and Agency.
Metals.....	628	Tel-Aviv, Palestine.....	Purchase.
Baseball Bats.....	629	Adelaide, Australia.....	Agency.
Wooden Spools.....	630	Sao Paulo, Brazil.....	Purchase.
Kitchen Chairs (Wooden).....	631	Cape Town, South Africa..	Agency.

1214 LIST OF PUBLICATIONS OF THE IMPERIAL ECONOMIC COMMITTEE

Report No.

I. REPORTS TO GOVERNMENTS

1. General (1925)	9d.	(10d.)
3. Fruit (1926)	4s. 6d.	(4s. 10d.)
4. Dairy Produce (1926)	1s. 0d.	(1s. 2d.)
5. Fish (1927)	6d.	(8d.)
6. Poultry and Eggs (1927).....	1s. 9d.	(1s. 2d.)
7. Honey (1927)		
8. Functions and Work of the Committee (1927).....	6d.	(7d.)
9. Tobacco (1928)	9d.	(10d.)
10. Timber (1928)	9d.	(10d.)
11. Trade in Agricultural Machinery (Survey) (1928).....	6d.	(8d.)
12. Pigs and Pig Products (1929)	6d.	(8d.)
13. Trade of the British Empire (Memorandum) (1929).....	6d.	(7d.)
14. Trade in Rubber Manufactured Goods (Survey) (1929)	6d.	(8d.)
16. Hides and Skins (1930)	6d.	(7d.)
17. Progress Report (1930)	6d.	(7d.)
18. Tea (1931)	6d.	(8d.)
19. Coffee (1931)	6d.	(8d.)
20. Wheat Situation, 1931 (Survey)	6d.	(8d.)
21. Imperial Industrial Co-operation (1932)	6d.	(7d.)
22. Cocoa (1932)	6d.	(8d.)
23. Wine (1932)	6d.	(8d.)
24. Hemp Fibres (1932)	6d.	(8d.)
26. Constitution and Work of the Committee (1932).....	6d.	(7d.)
27. Grassland Seeds (1934)	1s. 0d.	(1s. 2d.)
28. Maize (1934)	1s. 0d.	(1s. 2d.)
29. Trade in Electrical Machinery and Apparatus (1936).....	2s. 6d.	(2s. 8d.)
30. Survey of the Trade in Motor Vehicles (1936)	2s. 6d.	(2s. 9d.)
31. Tobacco (1938)	2s. 0d.	(2s. 2d.)
32. Survey of the Trade in Canned Food (1939).....	2s. 6d.	(2s. 9d.)

The fifteenth and twenty-fifth reports are confidential and have not been published; the second report is out of print.

II. SURVEYS OF WORLD PRODUCTION AND TRADE

Cattle and Beef (1934)	5s. 0d.	(5s. 6d.)
Ground Nut Products (1934)	4s. 0d.	(4s. 6d.)
Mutton and Lamb (1935)	4s. 0d.	(4s. 6d.)
World Consumption of Wool, 1928-35 (1936)	4s. 0d.	(4s. 6d.)
Apples and Pears (1938)	4s. 0d.	(4s. 6d.)

III. COMMODITY SERIES

The publications in this series, which will be revised annually, give in summary form the chief statistical data of world production and trade for the commodities concerned.

Meat	2s. 6d.	(2s. 8d.)
Fruit	2s. 6d.	(2s. 8d.)
Grain Crops	2s. 6d.	(2s. 8d.)
Industrial Fibres	2s. 6d.	(2s. 9d.)
Plantation Crops	2s. 6d.	(2s. 9d.)
Vegetable Oils and Oilseeds	2s. 6d.	(2s. 9d.)
Dairy Produce	2s. 6d.	(2s. 8d.)

IV. INTELLIGENCE SERVICES

Annual Sub. (Post Free)

1. Periodicals:—

	Surface Mail	Air Mail†
*Dairy Produce Notes (Weekly)	£2 0s.	£2 14s.
*Fruit Intelligence Notes (Weekly)	£2 0s.	£2 19s.
Canned and Dried Fruit Notes (Monthly)	£1 0s.	£1 6s.‡
Weekly Arrivals of Canned Fruits and Tomato Products....		
Wool Intelligence Notes (Monthly)	£1 0s.	£1 6s.
Tobacco Intelligence (Quarterly with Monthly Supplement)....	£0 10s.	£0 15s.

* Reduced rates are applicable to producers and producers' organizations within the Empire. † To certain Empire countries only. ‡ Weekly supplement by surface mail. Intending subscribers should apply to the Secretary, Imperial Economic Committee, 2, Queen Anne's Gate Buildings, Dartmouth Street, London, S.W. 1.

2. Annual Reviews:—

These are free to subscribers to the respective Intelligence Services. Non-subscribers can obtain copies from the addresses given below, at the prices listed.

Fruit Supplies	2s. 6d.	(2s. 10d.)
Dairy Produce Supplies	2s. 6d.	(2s. 11d.)
Supplies of Canned and Dried Fruit.....	2s. 6d.	(2s. 9d.)
Wool Production and Trade	2s. 6d.	(2s. 9d.)
World Consumption of Wool, 1938.....	2s. 6d.	(2s. 11d.)

V. MISCELLANEOUS

Annual Report (1937-38).....	6d.	(7d.)
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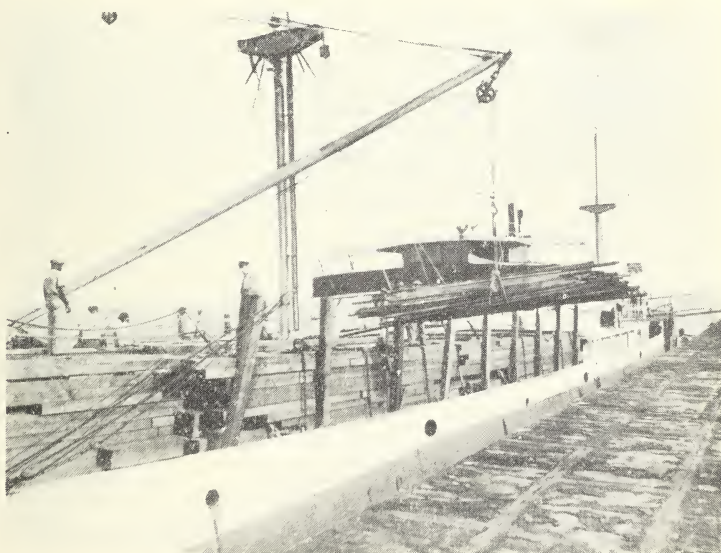
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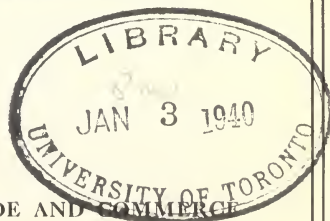
Ottawa, December 30, 1939

No. 1874



Unloading Canadian Lumber at a British West Indies Port

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER



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No. 1874

INDIAN TOBACCO INDUSTRY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Rs.1 is equal to approximately Canadian \$0.33)

Calcutta, October 25, 1939.—India is one of the leading tobacco-growing countries in the world. This branch of the agricultural industry accounts for a very small proportion of India's vast areas of cultivated land, but as a cash crop tobacco is of great and growing importance. India's participation in world trade in tobacco has assumed substantial dimensions, and the following summary, outlining the principal features of the local industry, may be of interest for purposes of comparison with production in Canada as well as an indication of market openings for Canadian tobacco in this country and the competition offered in export markets where Canadian tobacco products are being sold.

INDIA'S POSITION IN WORLD TRADE IN TOBACCO

The United States is generally acknowledged to be the principal tobacco-growing country in the world, but Indian production has of recent years reached even higher figures. This fact has frequently been overlooked on account of the small exports of Indian tobacco in comparison with those from the United States. The acreage devoted to tobacco cultivation in the two countries is approximately the same (1,400,000 acres), while records of production indicate that the Indian figure is some 1,400 million pounds as compared with 1,200 million pounds in the United States. Production in China is believed to approximate these totals, while Russian output is about half as large. Other producing countries of less importance are Brazil, Greece, Japan, and the Netherlands East Indies.

INDIAN ACREAGE AND PRODUCTION

Tobacco is said to have been introduced into India by Portuguese missionaries, and it is only during the last century that it has assumed a position of importance in India's agricultural industry or in domestic trade. Grown originally in the Gujerat district near Bombay, its cultivation has since extended to many other parts of the country and is now largely concentrated in this same area as well as in Guntur near Madras, North Bengal and North Bihar, and in the Nipani district in Bombay province. Tobacco is also grown in the United Provinces, the Punjab, and in various parts of Southern India.

The acreage sown to tobacco in India in recent years showed a gradual increase up to 1935-36 when the estimated total was 1,357,000. Bengal province has the largest area under tobacco and Madras only slightly less. Together these two provinces account for slightly over 40 per cent of the total area devoted to this crop. Indian states account for a further 20 per cent, while most of the remaining areas are in Bihar and Bombay.

Production of tobacco in India reached record figures in 1934-35 when the crop was estimated at 646,000 tons. Declines were recorded in the two following years, the estimate for 1936-37 being 560,000 tons. Bengal, Madras, and several Indian states contributed 24, 18, and 16.6 per cent, respectively, of this amount, while the United Provinces, Bihar, and Bombay were next in importance. Production in the United Provinces is unusually large in comparison with areas sown, percentages of the totals for the whole of India in 1936-37 having been 13.9 and 6.4, respectively.

TYPES OF TOBACCO PRODUCED

Most of the tobacco grown in India is *Nicotiana tabacum*, although *N. rustica* is not uncommon. In many areas the plants have developed local characteristics, and in others crossed varieties have become established. It is estimated that slightly over 67 per cent of the crop is *Nicotiana tabacum*. This variety is common throughout Southern India, but apart from Northern Bengal, *N. rustica* is found more frequently in all the tobacco-growing areas north of the line between Calcutta and Karachi.

A large proportion of India's tobacco crop is required for use in hookahs (water-pipes), and some 60 per cent of the total is grown and prepared for this purpose. This accounts for almost the entire production of *N. rustica* and approximately half of the crop of *N. tabacum*. Chewing tobacco is generally made from *N. tabacum*, but small quantities of *N. rustica* are converted into this form as well as into snuff. Bidis, the native type of cigarette, cheroots, and country cigarette tobacco account for nearly all the remaining production, while it is of interest to note that Virginia type (flue-cured) cigarette tobacco accounts for no more than 1.9 per cent of the total crop.

The largest part of the tobacco crop is ground cured, the plants or leaves being left on the ground for several days during this process. Rack curing is also employed, while a part of the output of hookah and chewing tobacco is cured in pits. Only very small quantities of the better types of Virginia cigarette tobaccos are flue-cured, the expense involved in this process being beyond the capacity of many of the growers or dealers engaged in the business.

FOREIGN TRADE

Despite her importance as a tobacco growing country, India plays a comparatively minor part in world trade in this commodity. The crop is generally of such low and varying quality, in comparison with standards in other countries, and is in such great domestic demand that export business has never reached important proportions. Imports into a country where production is extensive are comparatively large and are almost as important from a point of view of value as exports of the local product. There have been increases in both branches of the business during recent years, but with increased production of good quality Virginia cigarette tobaccos, it may be assumed that export trade will show gradual development and that imports will undergo some declines.

EXPORTS

India's export trade in tobacco is comprised to a large extent of unmanufactured leaf, but includes considerable quantities of cigarettes as well. Of a total value of Rs.19,961,178 in 1937-38, Rs.11,762,197 represented exports of unmanufactured varieties, Rs.7,001,599 shipments of cigarettes, Rs.1,135,977 miscellaneous types of hookah tobaccos and other native grades, and Rs.61,405 the value of cigars.

Burma is the principal market for Indian tobacco exports, that country, despite its own substantial production, purchasing most of India's exports of

miscellaneous tobaccos and cigarettes as well as fairly large quantities of unmanufactured leaf. The United Kingdom purchases the bulk of this latter type, such stocks being required for blending in the manufacture of cigarettes. Other export markets of less importance are Aden, the Irish Free State, Ceylon, British Malaya, and Japan.

Madras provides the bulk of India's tobacco exports, shipments from this province making up about two-thirds of an average annual total. Bombay has in general supplied most of the remainder, although shipments from Bengal have recently shown important increases.

IMPORTS

Imports of tobacco into India have shown gradual increases until in 1937-38 they reached a record value of Rs.8,548,499. Over half of this amount represents the value of imports of unmanufactured cigarette tobacco, while cigarettes constitute most of the remainder. Import values for 1937-38 were Rs.4,478,530 and Rs.3,436,945, respectively. Pipe tobacco imports reached a value during the same year of Rs.281,454, cigars Rs.197,058, and miscellaneous types of tobacco Rs.154,512.

Practically the whole of the imports in unmanufactured tobacco are of United States origin and of Virginia type. Cigarette imports and those of pipe and miscellaneous tobaccos, on the other hand, are almost exclusively of United Kingdom manufacture. Burma is the only other country from which imports are of importance, limited quantities of unmanufactured leaf and of cigars being purchased from this source.

Calcutta is the centre of India's import trade in tobacco and of the manufacture of cigarettes. Imports into this port have for years made up almost half of the total for the whole country and in 1937-38 were well above this proportion. Madras ranks second as a consumer of foreign tobacco, particularly unmanufactured types, while Bombay is in third position in respect to total tobacco imports, even though this port exercises a large measure of control over the cigarette import trade.

TOBACCO MANUFACTURING INDUSTRY

The tobacco trade in India is concerned to such a large extent with coarse native types which are prepared by crude methods and sold in forms peculiar to the local market that the manufacture of these products can be described in general terms only. It will be recalled in this regard that foregoing data relative to tobacco production referred to the various types according to the form in which they were to be consumed.

Hookah tobacco, one of the most important items in the crop, is manufactured almost exclusively by the growers or dealers, production being concentrated to a large extent in the United Provinces. It is made from powdered leaves and stems and is frequently improved or adulterated by the addition of flavouring materials and, according to a local authority, "fine sand, earth, quick lime, carbonate of soda, cotton waste, dried and powdered leaves of trees, and coir fibre....as soon as he (the manufacturer) sees that a particular combination has captured the consumer's taste, he retains the same as his trade secret."

Bidis, the indigenous type of cigarette, are manufactured in small factories or workshops or in retail tobacco stores. The trade is centred largely in the Central Provinces, Madras, and Bombay. The bidi is made from a tobacco mixture rolled in the leaves of various trees found in central and southern India, one end being folded and the other tied securely with cotton thread. In the case of chewing tobacco, preparation is comparatively uncommon, it

being a general practice to chew the leaf either without preparation or after the application to it of a small amount of slaked lime. In some parts of the market, however, the tobacco is treated with flavourings, then cooked and otherwise converted into pastes or pills. Snuff manufacture is a simple process involving grinding or powdering, the addition of lime, liquefied butter, and possibly scents and subsequent treatment with fine sieves. Cigars and cheroots are the principal remaining items made by hand methods. Production is confined exclusively to Madras where manufacture is carried on in small workshops and a few larger establishments.

CIGARETTE MANUFACTURE

Turning to the cigarette industry, it is seen that this branch of the business has experienced marked development and appears assured of considerable further expansion. In 1923 the industry comprised 11 plants with an average daily payroll of 5,000. By 1937 these numbers had increased to 30 and 11,000, respectively, while a further increase in the number of factories as well as in their payrolls and capacity is understood to have been made in subsequent years. The largest factor in the trade is the Imperial Tobacco Company of India, Limited, and various associated firms concerned with leaf production, manufacturing and sales, and it is estimated that this organization controls approximately 75 per cent of the cigarette trade throughout India.

Consumption of cigarette tobacco leaf is estimated at some 12,000 tons per year, of which amount imports make up a percentage varying from 8 to 20, according to trade returns, but which probably averages 15. Production is between 7,500 and 10,000 million cigarettes per year, with a minimum value of Rs.60,000,000. Most of this output is of cheap grades, some 20 per cent being of average qualities and 5 per cent of high grade.

The value of an average year's production of manufactured tobacco, estimated on a basis of wholesale prices, is Rs.370,000,000. Addition to this figure of the various costs of distribution would produce a total of Rs.460,000,000. Hookah tobacco production involves the use of some 1,200 million pounds of tobacco each year and contributes approximately Rs.96,000,000 towards the value of the trade. Cheroots account for 82,000,000 pounds of material and a value of Rs.87,000,000. Bidis, chewing tobacco and snuff, in addition to cigarette manufacture (to which reference has already been made), are of succeeding importance, records of raw material and annual values being respectively 70,000,000, 156,000,000, and 21,700,000 pounds and Rs.75,000,000, Rs.30,000,000, and Rs.15,000,000.

INDIAN TOBACCO MARKET

The Indian market for imported tobacco is of considerable importance. As noted above, it is largely concerned with unmanufactured leaf for use in cigarette factories and with cigarettes as well. The latter trade, despite an upward trend in recent years, is expected to decline as a result of increasing competition from the local industry and, while improved methods of cultivation and curing may eventually have a similar effect on the trade in the raw product, this is not expected to manifest itself for a long time to come.

Practically all of India's imports of unmanufactured tobacco originate in the United States. Direct imports make up 75 per cent of the total, while the addition of imports from the United Kingdom, which are almost exclusively re-exports of American tobacco, increases this figure to some 96 per cent of the whole. Practically all of this is Virginia cigarette tobacco used for blending with a local product in the manufacture of average to good quality cigarettes for sale in this country.

It has already been noted that the bulk of the imports of manufactured cigarettes are supplied by the United Kingdom. The United States has a small share of the trade, while imports from other countries are negligible.

CANADA'S PARTICIPATION IN THE TRADE

Canada's share in India's trade in unmanufactured tobacco, the only type which has been sold in India, is a very small one. Trade returns record imports from Canada of 3 tons of such tobacco in 1933-34, $13\frac{1}{2}$ tons in 1934-35, $\frac{1}{2}$ ton in 1935-36, none in 1936-37 and $5\frac{1}{4}$ tons in 1937-38. It is assumed that all of this tobacco was of Canadian origin, also that some of the supplies imported from the United Kingdom may possibly have originated in Canada rather than in the United States. The trade has nevertheless been a small one.

Sales of Canadian cigarette tobacco to the local market are affected in the first place by the severity of local competition and secondly on that offered by imports from the United States. The first of these two factors is for the time being of no serious importance, since the present demand for average to high quality Virginia cigarette tobacco is expected to persist and possibly expand until domestic production reaches a more advanced stage. Competition from the United States presents various difficulties, not the least of which is the familiarity of the domestic cigarette manufacturing industry with the grades available and a corresponding lack of knowledge regarding Canadian supplies. In the matter of price Canadian exporters will find it necessary to compete on an equal footing with United States shippers so far as tariffs and other conditions are concerned. The Indian customs tariff provides for the collection of import duty on unmanufactured tobacco at a rate of Rs.3 4 annas per pound except in the case of British Crown Colonies, to imports from which a preferential rate of Rs. 2 12 annas per pound is applicable. The general incidence of such a rate is to discourage imports of all but high-quality tobaccos, but the fact that small shipments have already been made to the local market at least indicates a possibility that the business might be expanded.

TRADE OF BARBADOS IN 1938

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

Port of Spain, November 28, 1939.—Due to irregular rainfall, sugar production in Barbados was curtailed in 1938 with the result that domestic exports amounted only to £1,218,379 as compared to £1,498,341 in 1937. Exports of sugar were valued at £683,099 (£911,255 in 1937); molasses at £505,977 (£554,889) and rum at £9,332 (£10,223).

The United Kingdom was the principal market for Barbados exports in 1938, the most notable feature of sales to the United Kingdom being a sharp increase in the shipments of molasses which were valued at £43,704 as compared with £9,239 in 1937. Exports of sugar to the United Kingdom showed a decrease from £638,671 in 1937 to £518,887 in 1938. Total exports to the United Kingdom in 1938 were valued at £571,135 or 42·3 per cent of Barbados total export trade as compared with £657,938 or 40 per cent of the total trade in 1937.

Domestic exports to Canada in 1938 were valued at £507,438 or 37·6 per cent of the total trade, showing a decrease from the 1937 exports valued at £647,330 or 39·4 per cent of the total trade. This decline was due to reductions in Canada's importation of both sugar and molasses. Exports of dark crystal sugar to Canada were valued at £160,015 (£266,410 in 1937) and of fancy molasses at £343,767 (£371,895).

IMPORT TRADE

Total imports into Barbados in 1938, excluding bullion and coin, were valued at £2,070,444 as compared with £2,219,235 in 1937. The principal products contributing to the decrease in the 1938 import trade were: dried, salted or smoked fish, £55,043 (£63,934 in 1937); oats, £16,045 (£24,297); bacon and hams, £15,509 (£18,707); edible oil, £24,057 (£33,478); pitch pine, undressed, £20,456 (£26,610); other kinds of lumber, undressed, £21,745 (£33,733); cotton manufactures, £58,667 (£69,698); wool and woollen manufactures, £22,593 (£28,629); electrical appliances, £30,578 (£48,346); hardware, n.o.p., £19,686 (£22,751); sugar machinery, £59,823 (£71,332); galvanized sheets, £10,160 (£23,034); sulphate of ammonia, £43,477 (£48,279); motor spirit, £15,385 (£40,855); and wrapping paper, £11,421 (£13,607).

There were a number of moderate increases, of which the principal items were: motor cars, £54,996 (£46,312 in 1937); potash, £45,279 (£37,200); fertilizers, n.o.p., £17,248 (£8,120); medicines and drugs, £23,953 (£18,654); gas, solar, diesel power, etc., £40,446 (£26,292); and lubricating oil, £10,139 (£7,923).

Imports from the United Kingdom, the principal source of supply, amounted in value to £343,085 or 40·7 per cent of the total import trade of Barbados for 1938. This was slightly lower than in 1937 when imports from the United Kingdom were valued at £913,471 or 41·2 per cent of the total import trade for that year.

The main decreases in imports from the United Kingdom were: machinery, all kinds, £64,694 (£89,733 in 1937); electrical apparatus, £22,475 (£41,710); edible oil, £13,731 (£30,815); cotton manufactures, £50,482 (£63,269); iron and steel manufactures, £37,272 (£49,363); artificial silk piece-goods, £11,927 (£17,222); coal, £2,630 (£9,784); woollen manufactures, £19,474 (£24,942); and beer, ale and porter, £14,645 (£17,559). The few important increases were: apparel, £17,118 (£14,952); motor cars and motor trucks, £38,227 (£27,240); flour, wheaten or rye £49,974 (£36,728); and cigarettes, £15,432 (£11,778).

Imports from the United States in 1938 were valued at £243,731 or 11·8 per cent of the total import trade and were also slightly lower than imports in 1937 valued at £250,616 or 11·3 per cent of the total import trade. The principal items showing a decrease were: oilmeal and oilcake, £30,777 (£36,895 in 1937); chemical manures other than sulphate of ammonia, £3,606 (£6,402); manufactured tobacco, n.o.p., £2,771 (£6,571); and pitch pine, £20,824 (£24,490). There were small increases in wearing apparel, coal, cotton piece-goods, cornmeal, salted pork, car parts and perfumery.

Imports from foreign countries other than the United States were valued at £347,763 or 16·7 per cent of the total import trade as compared with £346,496 or 15·6 per cent of the total import trade in 1937. The main imports from other foreign countries in 1938 were as follows:—

Argentina.—Hams, bacon, salted and fresh frozen meats, £68,705.

Dutch West Indies.—Crude oil, £40,589.

France.—Butter and flour, £26,323.

Germany.—Chemical manures (chiefly potash) and glassware, £63,319.

Holland.—Margarine and condensed milk, £45,413.

Japan.—Dry goods, £32,212.

TRADE WITH CANADA

Continuance of the 1937 decline in the exportation of sugar and molasses to Canada resulted in Barbados exports for 1938 to Canada being the lowest for many years. Imports from Canada also declined in 1938, but, as will be

noted from the following figures covering exports to and imports from Canada from 1934 to 1938, Canada's adverse balance of trade of £235,470 was less than in 1937 when it was £324,600:—

	Domestic Exports to Canada	Imports from Canada for Domestic Consumption
1934	£1,021,262	£275,603
1935	790,453	258,520
1936	759,342	283,387
1937	647,330	322,730
1938	507,438	271,968

IMPORTS FROM CANADA

Imports from Canada (exclusive of bullion and coin and intransit trade) in 1938 were valued at £271,968 or 13·1 per cent of the total import trade, as compared with £322,730 or 14·5 per cent of the total import trade in 1937.

DETAILS OF IMPORTS OF INTEREST TO CANADA

Total imports for 1938 (1937 imports within parentheses) of commodities of interest to Canadian shippers, with leading sources of supply, were:—

Beer and Ale in Bottles.—88,511 gals., £13,277 (95,809 gals., £14,371): United Kingdom, £11,304; Holland, £1,274; Canada, £34 (£98).

Biscuits, Unsweetened in Tins.—42,089 lbs., £2,104 (43,105 lbs., £2,156): United Kingdom, £301; Canada, £1,562 (£1,672).

Butter and Butter Substitutes.—643,999 lbs., £40,250 (525,865 lbs., £32,866): France, £15,521; United Kingdom, £9,462; Northern Ireland, £5,395; New Zealand, £4,648; Ireland, £4,376; Canada, £70 (£171).

Bran and Pollard.—2,994,105 lbs., £8,982 (3,763,975 lbs., £12,233); Argentina, £8,031; Canada, £195 (£898).

Oilmeal and Oilcake.—9,568,177 lbs., £38,272 (10,715,229 lbs., £38,842): United States, £30,777; Canada, £6,718 (£95).

Animal Feeds, All Other Kinds.—1,509,897 lbs., £3,775 (1,402,254 lbs., £3,505): United States, £1,872; Trinidad, £1,285; Canada, £344 (£466).

Cheese—108,196 lbs., £4,057 (111,895 lbs., £4,196): Canada, £3,555 (£3,652).

Confectionery.—£5,669 (£6,027): United Kingdom, £4,375; Canada, £1,063 (£830).

Fish, Canned or Preserved.—£6,784 (£9,114): United States, £1,276; Canada, £4,576 (£5,609).

Fish, Dried, Salted or Smoked.—50,039 quintals of 220 lbs., £55,043 (48,252 qtls., £63,934): Newfoundland, £48,571; Canada, £6,384 (£12,529).

Fruits, Canned or Bottled.—£1,587 (£2,812): United States, £926; United Kingdom, £266; Canada, £42 (£214).

Fresh Apples.—687 bbls., £1,374 (550 bbls., £825): United States, £486; Canada, £826 (£503).

Oats.—4,011,251 lbs., £16,045 (5,831,333 lbs., £24,297): Canada, £15,970 (£10,497).

Flour, Wheaten.—85,352 bags, £93,887 (78,468 bags, £94,162): United Kingdom, £49,974; Canada, £35,064 (£43,074).

Maize or Cornmeal.—25,254 bags, £20,212 (24,786 bags, £18,589): United States, £13,021; Argentina, £3,451; Canada, £2,848 (£20).

Farinaceous Preparations Other than Arrowroot.—£5,600 (£5,730): United Kingdom, £1,498; Canada, £2,740 (£2,578).

Lard and Lard Substitutes.—391,691 lbs., £7,834 (385,973 lbs., £8,041): United Kingdom, £6,903; United States, £424; Canada, £404 (£521).

Bacon and Hams.—310,173 lbs., £15,509 (374,151 lbs., £18,707): United Kingdom, £6,326; Argentina, £6,759; Denmark, £1,007; Canada, £222 (£185).

Beef, Salted.—1,589,691 lbs., £27,024 (1,338,145 lbs., £23,417): Argentina, £18,031; United Kingdom, £6,594; Brazil, £1,817; Canada, £339 (£38).

Pork, Salted.—1,878,325 lbs., £35,689 (1,795,650 lbs., £35,913): United States, £4,338; Argentina, £2,910; Canada, £28,363 (£30,021).

Milk, Condensed or Otherwise Preserved.—1,767,260 lbs., £17,672 (1,449,689 lbs., £18,121): Holland, £12,827; Denmark, £2,487; Ireland, £1,232; Norway, £840; Canada, £128 (nil).

Pickles, Sauces and Condiments.—£2,025 (£2,230): United Kingdom, £1,463; United States, £100; Canada, £364 (£150).

Whisky.—6,661 gals., £6,661 (8,538 gals., £8,538): United Kingdom, £6,567; Canada, £90 (£130).

Tea.—128,896 lbs., £8,057 (168,242 lbs., £16,844): Ceylon, £4,713; India, £2,105; United Kingdom, £581; Canada, £156 (£330).

Tobacco, Unmanufactured.—125,274 lbs., £6,264 (139,798 lbs., £6,989): United States, £1,070; India, £1,756; Canada, £46 (£67).

Vegetables, Canned, Preserved, Etc.—36,990 lbs., £924 (37,670 lbs., £1,256): United Kingdom, £169; United States, £173; Canada, £489 (£609).

Onions.—2,143,244 lbs., £9,644 (2,225,753 lbs., £9,273): Madeira, £2,643; Argentina, £1,758; Holland, £1,418; Canada, £1,230 (£394).

Potatoes.—3,601,987 lbs., £11,706 (3,363,414 lbs., £10,510): Holland, £3,529; Canada, £7,703 (£5,995).

Douglas Fir, Undressed.—572,736 ft., £3,580 (1,034,406 ft., £9,568): all from Canada.

Douglas Fir, Dressed.—1,233,465 ft., £7,709 (2,407,760 ft., £22,272): all from Canada.

Pitch Pine, Undressed.—1,573,578 ft., £20,456 (2,046,903 ft., £26,610): United States, £14,949; Canada, £5,507 (£9,637).

Pitch Pine, Dressed.—534,104 ft., £5,875 (668,186 ft., £7,517): all from the United States.

Other Kinds, Undressed, except Hardwood.—2,718,158 ft., £21,745 (4,216,699 ft., £33,733): Canada, £21,155 (£32,876).

Other Kinds, Dressed, except Hardwood.—171,859 ft., £1,332 (17,902 ft., £138): Canada, £1,258 (£127).

Shingles.—9,112,344, £6,834; (12,824,789, £9,779): British Guiana, £2,302; Canada, £4,520 (£9,139).

Staves and Shooks.—£25,606 (£23,940): United States, £8,824; Canada, £16,782 (£13,958).

Socks and Stockings, First Cost not exceeding 1s. 6d. per Pair.—160,741 pairs, £4,192 (249,073 pairs, £5,901): United Kingdom, £2,235; Hongkong, £1,280; Canada, £677 (£804).

Socks and Stockings, 1s. 6d. to 2s. per Pair.—15,514 pairs, £1,537 (12,391 pairs, £1,736): United Kingdom, £278; Canada, £1,301 (£1,637).

Socks and Stockings, First Cost exceeding 2s. per Pair.—9,012 pairs, £1,302 (7,830 pairs, £1,101): United Kingdom, £383; Canada, £874 (£1,066).

Apparel, Other Kinds.—£45,069 (£45,040): United Kingdom, £17,118; Japan, £13,880; United States, £6,389; Hongkong, £3,872; Canada, £2,951 (£2,730).

Cordage.—150,061 lbs., £3,001 (162,814 lbs., £3,256): United Kingdom, £1,676; Canada, £150 (£1,253).

Twine.—£1,847 (£1,924): United Kingdom, £1,369; Canada, £283 (£440).

Cotton Piece-Goods, First Cost not exceeding 1s. per Yard.—£74,484 (£67,339): United Kingdom, £66,274; United States, £5,291; Hongkong, £705; Canada, £460 (£9).

Other Cotton Manufactures, except Apparel.—£58,667 (£69,698): United Kingdom, £50,482; Japan, £3,381; United States, £1,927; Canada, £1,547 (£1,769).

Artificial Silk Piece-Goods, First Cost exceeding 1s. per Yard.—£7,823 (£10,601): United Kingdom, £5,272; Hungary, £678; Italy, £522; Canada, £15 (£31).

Other Electrical Appliances.—£30,578 (£48,346): United Kingdom, £22,275; United States, £6,573; Canada, £1,072 (£535).

Furniture of Metal.—£14,818 (£13,245); United States, £7,170; United Kingdom, £4,591; Canada, £2,323 (£1,835).

Hardware, Other than Furniture, Hollow-ware, Cutlery, Implements and Tools.—£19,686 (£22,751): United Kingdom, £11,677; United States, £4,072; Germany, £1,495; Canada, £649 (£1,135).

Sugar Machinery.—£59,823 (£71,332): United Kingdom, £56,687; United States, £2,193; Canada, £925 (£1,339).

Metals and Metal Manufactures, All Other Kinds.—£10,192 (£8,979): United Kingdom, £7,104; United States, £2,753; Canada, £194 (£188).

Iron and Steel Bars, Hoops and Rods.—£3,781 (£7,488): United States, £2,081; United Kingdom, £1,051; Canada, £588 (£814).

Iron and Steel Nails and Rivets.—£4,622 (£5,199): United Kingdom, £431; Canada, £4,041 (£3,666).

Wire and Wire Fencing.—£2,848 (£2,621): United Kingdom, £1,967; Canada, £438 (£253).

All Other Iron and Steel Manufactures.—£29,519 (£29,853): United Kingdom, £24,091; United States, £1,867; Canada, £2,032 (£1,889).

Plate and Plate-ware.—£1,728 (£1,530): United Kingdom, £1,137; Canada, £232 (£101).

Typewriters and Parts.—£1,690 (£1,117): United States, £998; United Kingdom, £412; Canada, £235 (£96).

Motor Cars.—382, £54,996 (332, £46,312): United Kingdom, £31,936; Germany, £2,339; United States, £2,008; Canada, £18,588 (£19,951).

Motor Trucks and Vans.—77, £12,420 (98, £14,445): United Kingdom, £4,292; United States, £2,311; Canada, £5,817 (£8,164).

Motor Car Parts.—£12,949 (£9,540): United States, £5,104; United Kingdom, £4,775; Canada, £2,668 (£1,343).

Boots, Shoes and Slippers, Wholly or Partly of Rubber, Balata or Gutta Percha.—115,647 pairs, £7,501 (277,702 pairs, £16,528): Hongkong, £3,775; India, £860; United Kingdom, £476; Canada, £1,944 (£3,256).

Boots and Shoes, Other Kinds.—106,660 pairs, £27,675 (109,666 pairs, £28,440): United Kingdom, £24,359; Hongkong, £366; Canada, £1,088 (£1,116).

Brooms and Brushes.—£3,100 (£2,642): United Kingdom, £1,837; United States, £336; Canada, £659 (£519).

Cement.—22,162 bbls., £13,297 (24,821 bbls., £13,651): United Kingdom, £11,534; Canada, £1,748 (£1,574).

Chemicals, Other Kinds.—£10,150 (£8,957): United Kingdom, £5,489; United States, £1,935; Trinidad, £1,550; Canada, £301 (£78).

Earthenware.—£5,343 (£4,912): United Kingdom, £2,889; Japan, £1,262; Germany, £676; Canada, £126 (£143).

Glass Bottles.—£2,067 (£1,603): United States, £1,314; United Kingdom, £284; Canada, £325 (£913).

Rubber Tires and Tubes for Motor Vehicles.—£8,795 (£9,059): United Kingdom, £4,157; Canada, £3,277 (£4,645).

Other Kinds Rubber Manufactures.—£1,905 (£1,503): United Kingdom, £702; United States, £434; Canada, £681 (£778).

Leather.—46,343 lbs., £3,391 (52,663 lbs., £4,199): United Kingdom, £1,817; Dutch West Indies, £444; Costa Rica, £418; Canada, £302 (£204).

Medicines and Drugs.—£23,953 (£18,654): United Kingdom, £13,112; United States, £7,234; Canada, £2,273 (£1,438).

Oilcloth and Linoleum.—£1,311 (£1,506): United States, £650; United Kingdom, £566; Canada, £95 (£56).

Lubricating Oil.—81,112 gals., £10,139 (63,395 gals., £7,923): United Kingdom, £5,047; United States, £3,736; Canada, £871 (£220).

Paints and Colours.—561,754 lbs., £14,043 (672,115 lbs., £16,802): United Kingdom, £9,229; United States, £1,392; Canada, £3,221 (£4,049).

Polishes and Varnishes.—3,115 gals., £1,557 (3,915 gals., £1,957): United Kingdom, £711; United States, £253; Canada, £591 (£885).

Turpentine.—5,432 gals., £1,358 (4,767 gals., £1,191): United States, £1,070; Sweden, £112; Canada, £172 (£92).

Printing Paper.—£6,078 (£5,285): United Kingdom, £2,785; Norway, £1,906; Canada, £673 (£475).

Wrapping Paper.—£11,421 (£13,607): United Kingdom, £1,123; Holland, £2,668; Belgium, £1,818; Canada, £2,344 (£2,660).

Paper, Other Kinds.—£9,834 (£10,852): United Kingdom, £4,649; Belgium, £1,680; United States, £1,676; Canada, £668 (£469).

Perfumery.—£9,064 (£8,283): United Kingdom, £3,475; United States, £3,989; France, £683; Canada, £275 (£547).

Fancy Soap.—£3,257 (£3,631): United Kingdom, £1,797; United States, £558; Canada, £725 (£827).

Sports Goods and Accessories.—£1,574 (£1,267): United Kingdom, £1,245; Canada, £201 (£149).

Stationery, Other than Paper.—£4,726 (£3,878): United Kingdom, £3,452; United States, £557; Canada, £441 (£388).

Toys and Games.—£1,636 (£1,691): United Kingdom, £460; United States, £376; Germany, £360; Canada, £126; (£116).

Wooden Furniture.—£6,789 (£8,191): United Kingdom, £2,666; United States, £1,522; Canada, £1,525 (£1,366).

Wood Manufactures, Other Kinds.—£7,356 (£7,448): United States, £2,498; United Kingdom, £1,806; Canada, £1,877 (£2,445).

FOOD PRODUCTION IN JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston.—The Jamaica Government is taking steps to increase the output of locally produced foods, as a shortage of imported articles is anticipated on account of the war. The Government appointed a board to inquire into and report upon the matter and this body has submitted a plan for achieving the end in view. It has made a survey of the situation, indicating how far it may be possible to replace supplies of imported foodstuffs with local products, and has proposed a line of action to be followed.

Statistics of the principal foodstuffs imported into Jamaica are prepared on the basis of the trade returns for 1938. Opposite each item is listed the locally produced article regarded as a possible substitute, together with an estimate of the acreage needed to be planted and the quantity and cost of seed. This return is given below in abridged form:—

Imports of Foodstuffs into Jamaica in 1938

	Total Imports Hundredweights of 112 Lbs.	Imports from Canada	Possible Local Substitutes
Grains and meal—			
Corn and cornmeal	124,926	79,534	Maize
Oats and oatmeal	12,672	7,681	
Wheat and flour	729,800	406,226	
Biscuits, bread and cake	930	81	Swamp and hill rice
Rice	375,990	.....
Peas and beans	25,102	.....	Red kidney beans, cow peas, pigeon peas
Other farinaceous preparations..	13,220	2,297	
Vegetables—			
Onions and garlic	17,100	758	Escallion
Potatoes	10,731	10,423	Potatoes and yams
Other vegetables, fresh and dried	858	371	None
Fruits and nuts, fresh and dried	12,809	402	Bananas
Dairy Products—			
Butter and its substitutes	13,241	111	Butter and substitute made from coconuts or soya beans
Cheese	5,036	4,083	None
Milk, condensed and powdered..	89,389	17,375	Condensed and fresh milk
Meats, all kinds	30,003	4,171	Beef, poultry, goats' flesh
Lard and its substitutes	10,115	53	Substitute made from coconuts
Stock and poultry feed	11,472	3,870	Only small quantities
Fish, all kinds	245,426	109,934	None
Tea	802	1	None
	Gals.		
Edible oils	2,597	.....	None

NOTES ON THE SUBSTITUTE SCHEDULE

Butter.—It is expected that there will be a shortage of this commodity unless supplies from New Zealand are maintained. Therefore, it is recommended that every encouragement should be given to dairies already established and, where possible, to new ones in the course of time. Butter substitutes are now being made in a small way from coconut oil, and the Board thinks that the possibility of stimulating this industry might usefully be inquired into.

Condensed Milk.—A shortage of condensed milk is anticipated. The local condensed milk factory now building is expected to begin operations in March, 1940, with a limited output. A large increase in the use of fresh milk is deemed unlikely except in towns where distribution is easy. Goat rearing is suggested for meat as well as for milk.

Meats.—No immediate shortage of meat is looked for, but it is felt that imported supplies may be inadequate should the war be a long one. Canned and pickled beef, bacon, ham and pickled pork are large items of the import trade under this heading, and considerable quantities of fresh meat, including poultry, are also brought in. The Board suggests that rearing of goats, pigs and poultry should be encouraged.

Lard and Its Substitutes.—There are no specific recommendations as to these, but lard substitute is being made in Jamaica from coconuts.

Poultry and Stock Feed.—Here also there are no definite proposals. Local supplies are inadequate, and consist mainly of corn and coconut meal.

Fish.—The possibility of replacement of imports by local supplies is doubtful. It is suggested that inquiries be made with a view to ascertaining how far it would be possible to improve the organization of catching and distributing fresh fish caught off the coasts. Immediate experiments in salting the local catch are recommended.

Maize.—Before the outbreak of war the Government had definitely planned to build a cornmeal factory, using locally grown maize, and it was anticipated that this factory would in time produce all the cornmeal consumed in Jamaica. Imports were to be regulated by quota and ultimately barred out. The factory

is now being built and is expected to begin operations in the near future. A certain amount of propaganda work has already been done with a view to persuading the peasantry to grow more maize.

Vegetables.—There are no substitutes for dried vegetables. The Board makes no comment on fresh, but these already are produced in considerable quantities, although the kinds (except lettuce and cabbage) are different from those imported.

PROGRAM SUGGESTED

The Food Production Board recommended that steps be immediately taken to increase the output of corn, peas, beans and rice. Owners of arable land are invited to register themselves as producers, and the Board proposed, not only in respect to those articles but also as a general principle, that the Government should undertake to buy from each farmer his entire crop at a guaranteed price, provided that the crop cannot be sold in the open market at or above such price. That is a main feature of the local food production scheme, and the Board considers that plans should be made for several years ahead, on the supposition that the war will be a long one.

The situation is closely linked with the banana industry, of which the output had already been declining due to the prevalence of plant diseases. A restriction of the United Kingdom and also of the European market due to the war will render considerable areas of land, now planted in bananas, available for other cultivation; in fact, such a change is seen to be likely as a result of the abnormal condition of the banana trade. The Board, therefore, suggested that owners of banana plantations should be encouraged to replace their bananas with other food crops, under either peasant cultivation or estate control.

In the food production campaign the Department of Agriculture, the Jamaica Agricultural Society (a semi-official body supported from public funds) and the Land Settlement Department, will closely co-operate. The assistance of the last-named body is likely to be effective and important because it is in charge of a scheme of land colonization to cost £650,000 lately undertaken by the Government in order to relieve unemployment. A favourable factor, noted by the Food Production Board, is that the increase of local output will be in line with official efforts to improve the nutrition of the masses of the people, for which a campaign was launched about three years ago.

The Food Production Board preliminarily estimated that to produce in the Island the suggested extra supplies of maize, rice, peas, escallion and potatoes, 218,880 acres will have to be planted with 60,489 cwts. of seed costing £37,600.

The scheme is of interest to Canada because she has long been Jamaica's largest individual supplier of imported foodstuffs. In the calendar year 1938, of imports of goods classed as "food, drink and tobacco," totalling in value £1,758,793, Jamaica purchased from the Dominion goods valued at £507,990, the main items being cheese, preserved fish, cornmeal, flour, oats, unspecified farinaceous preparations, fresh meat, bacon, pickled pork, condensed milk, potatoes and unenumerated provisions.

AGRICULTURAL CONDITIONS IN SOUTH AFRICA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

(This report was prepared by Mr. Brighton before his departure to take up the post of Trade Commissioner at Panama.)

Cape Town, October, 1939.—Primarily the United Kingdom is the market to which all South African agricultural products are exported, but due to the war and restricted shipping facilities the producers of the Union have turned their attention to studying whether it will not be possible to market within the Union a larger percentage of the produce of the country than formerly.

BUTTER

The marketing of dairy products in the Union is controlled by the Dairy Industry Control Board under the Marketing Act. It is the duty and function of this Board to regulate the supply of butter and cheese in the Union in such a way as to ensure a reasonable return to the farmer for his cream and butter. This object is attained by closely watching the production of butter and cheese and decreeing that certain quantities shall be exported from the Union, thereby avoiding a surplus in the country and maintaining prices.

To be able to export surplus butter and cheese, the Dairy Control Board is empowered to levy and collect 1d. per pound on all butter and cheese offered for sale. The fund thus obtained is used to subsidize exporters and to enable a certain quantity to be sold within the Union to charitable institutions and poor inhabitants at less than the prevailing retail selling price.

Exports of butter during the last three years by principal purchasing countries are as follows:—

	1936	1937	1938
	Lbs.	Lbs.	Lbs.
Total	9,252,285	7,189,890	3,528,734
United Kingdom	8,899,220	6,861,189	3,198,116
Portuguese East Africa	150,020	128,875	170,940
Belgian Congo	120,080	79,700	51,940
Southern Rhodesia	15,222	70,335	84,956

The exports of cheese during the last three years by main purchasing countries are as follows:—

	1936	1937	1938
	Lbs.	Lbs.	Lbs.
Total	1,366,991	1,611,570	2,710,923
United Kingdom	1,323,438	1,559,621	2,650,514
Southern Rhodesia	15,036	22,462	39,416

FRUIT

The amount of shipping space available will be the important factor in shipments of fruit to the United Kingdom. Should a percentage of the large liners normally using the Mediterranean route change to the Cape route in continuing their services to the East, South African shippers of apples, pears, and citrus fruits will benefit by having additional space at their disposal, but the deciduous producers are likely to suffer heavily. The export of the latter crop does not commence until December, at least.

Up to September 8 South Africa exported 161,357 tons of citrus fruit to the United Kingdom, which is an increase of 30,000 tons over the same period last year.

WOOL

The wool season ends in June. For the 1938-39 season sales of South African wool realized £8,554,789 as compared with £8,768,217 for the previous season, representing a decrease of 2·4 per cent. The average export value of grease wool was 8·3d. per pound, or 1·1d. per pound less than the previous season. Germany was the Union's best customer, taking 35·7 per cent of the total clip, while France took 21·2 per cent, and the United Kingdom 19·1 per cent. Thus the exports to these three countries amounted to 76 per cent of the total.

As at July 31 the stocks of unsold wool held in the Union amounted to 14,760 bales as compared with 11,916 bales at the same period in 1938. Wool sold, but awaiting shipment, amounted to 33,877 bales as compared with 33,277 bales in 1938.

MAIZE

The production of maize this year is expected to be considerably in excess of 1938 production and will exceed that of 1937. Production in 1936 amounted to 14,983,745 bags of 200 pounds each; 1937, 28,126,000 bags; 1938, 17,706,000 bags. This year's output is estimated at 28,395,000 bags.

MEATS

The export of frozen and chilled meat from South Africa to the United Kingdom is still in the experimental stage. With a view to developing this side of agricultural export, meat export subsidies have been paid. On September 11 the Department of Agriculture announced that war conditions and difficulties of transportation and handling make it no longer possible to export chilled beef, and the subsidy now falls away. This also applies to the subsidy on frozen beef, mutton and lamb. This condition, coupled with the fact that there is no surplus over local requirements, means that South Africa will not be a competitor in the sale of meat.

MARKET POSSIBILITIES FOR CANADIAN FARM PRODUCTS

Aside from small quantities of wheat imported annually under permit for blending purposes, the sole agricultural product which Canada sells in the Union is apples, although it is hoped that in time Canada may secure a share of the seed potato requirements. In this commodity, however, Canadian exporters are handicapped by the fact that the Cape Province particularly requires the main portion of its seed at a date too early for Canadian shipments to arrive, namely, the first week in October. However, experimental tests in 1938-39 proved satisfactory, and another trial is to be made this season (1939-40). If this test proves successful it is hoped that satisfactory business will result.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

(£A1 equals \$3.5199 Canadian at current rate of exchange)

Melbourne, November 16, 1939.—The outlook for the new season's crop continues to be generally favourable. An estimate based on conditions early in November indicated a harvest of 171,000,000 bushels for the four main wheat-growing States. (Mr. Palmer cabled on December 15 that the latest estimate is 182,568,000 bushels. Last year's harvest was 154,427,090 bushels, but the yield was 187,255,666 bushels in 1937-38.)

Difficulties are expected to be experienced in disposing of the entire exportable surplus of the new season's crop, owing principally to lack of shipping facilities and present world stocks of wheat. The Commonwealth Government, having acquired the whole of the Australian crop, is now faced with the task of disposing of an exportable surplus of approximately 130,000,000 bushels. The British Government has indicated that it will require only part of this surplus. In view of the guaranteed price of 3s. per bushel bagged and 2s. 10d. per bushel bulk, f.o.b. ports, the Wheat Board is confronted with the prospect of obtaining a good price for part of the crop, but of having the average return over the whole harvest reduced greatly through inability to dispose of the remainder at a reasonable price.

For reasons such as these, higher prices than 2s. 9d. a bushel for bagged wheat and 2s. 7d. per bushel for bulk wheat on rail at shipping ports will not be guaranteed by the Commonwealth Government at the present time.

Financial arrangements by means of a loan of £A20,000,000 by the Commonwealth Bank to the Australian Wheat Board are being made to permit

such payments. The returns to the growers will be 2s. 1d. per bushel for bagged wheat or 2s. 3d. per bushel for bulk wheat, and it is announced that an advance of 1s. 9d. per bushel bagged and 1s. 7d. per bushel bulk will be made to the growers when the wheat is delivered to the Wheat Board. The balance of 1s. per bushel, less freight from siding to port amounting to approximately 4d. per bushel, is to be paid on February 1.

The Commonwealth Bank loan is intended to be repaid by the Wheat Board from proceeds of realizations and proceeds of the federal flour tax (amounting to approximately £A4,000,000 annually), together with a special subsidy of up to £A2,000,000 already promised by the Commonwealth Government. Objection is being taken by Parliamentary members representing wheat-growing areas to the use of the flour tax fund and special federal subsidy as an offset to the advance to the Wheat Board instead of providing a payment supplementary to the Wheat Board's advance, particularly in view of the fact that the proceeds from both were originally intended to ensure the wheat-grower an average price of 3s. 6d. per bushel f.o.b.

It is reported that 200,000 tons of Australian wheat have been sold to the British Government since the war began. The price paid was 17s. sterling a quarter of 480 pounds, freight and insurance being on the British Government account.

FOREIGN TRADE OF INDIA, APRIL-SEPTEMBER

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee approximately equals Can.\$0.33)

Calcutta, November 3, 1939.—India's foreign trade during the first six months of the current fiscal year has shown substantial increases over the totals of a year ago. Imports during this period were valued at Rs.818,108,131 as compared with Rs.706,205,901 in 1938. The increase of Rs.111,902,230 is equivalent to 16 per cent. Export trade showed a similar improvement, the six-month total being computed at Rs.927,536,069, an increase of Rs.109,167,447 or 13 per cent over the 1938 figure of Rs.818,368,622.

In direct contrast with the situation existing in 1938, when both imports and exports had shown a heavy decline from the previous year's figures, total trade has now increased by Rs.221,069,677. Although the balance of trade during the half year has declined slightly from Rs.112,162,721 to Rs.109,427,938, the strongly upward trend in both imports and exports may be considered as having offset this slight loss in the excess of the latter.

IMPORTS

The increased value of India's recent import business is due to a large extent to exceptionally heavy purchases of foreign rice and wheat, although practically every group of foodstuffs shows larger values than for several past years. Rice imports increased by Rs.59,873,713 and those of wheat and other grains by Rs.66,449,496, the total for this group of commodities showing an increase of Rs.87,118,556 over 1938.

Fluctuations in the import of raw materials and semi-manufactured goods were featured by a heavy decline in imports of raw cotton, which was counteracted in some measure by a large increase in purchases of kerosene and petroleum. The total value of imports of this group of commodities was Rs.2,688,404 less than in 1938.

Fully manufactured goods showed a considerable increase in import values over the previous period. Miscellaneous yarns and fabrics, dyes and colours, and chemicals were purchased from abroad in much larger amounts than usual,

but the trade in machinery and woollen manufactures showed some declines. The excess of imports of such products over those in the period April-September, 1938, was Rs.26,678,102.

EXPORTS

The main trends in export trade during the six-month period were to some extent complementary to those most evident in import trade. Exports of food, drink, and tobacco declined by Rs.29,724,897, practically the whole of this total being due to decreased shipments of wheat, consequent on a short local crop. Exports of raw and semi-manufactured goods appreciated by Rs.63,082,443 to a total of Rs.393,791,622, most of the increase being accounted for by a higher value for raw cotton exports. Shipments of manufactured products also showed an important increase in values, the trade in jute products and to a smaller extent in iron, steel, and dressed hides and skins providing the bulk of the total of Rs.297,458,842.

DISTRIBUTION OF TRADE

The increase in India's import trade was equally divided between British and non-British countries. Purchases from the United Kingdom fell off by a small amount and imports from Kenya also declined. In most other cases considerable improvement was recorded. Fluctuations in imports from non-British countries, were marked by heavy increases in purchases from Java and Japan. Other changes in the value of imports were small.

Export statistics by countries of destination show a large increase in "for orders" cargoes as a result of the war. The value of such shipments was no less than Rs.40,400,331, almost two-fifths of the total export increase of Rs.109,167,447. Otherwise, it appears again that the increase in exports was distributed evenly between Empire and foreign countries. Burma, Canada, and Australia purchased increased quantities of Indian produce. In the case of foreign countries a downward trend in sales to Germany, Italy, and other European markets was offset by a large increase in exports to China, and by a similar, but less phenomenal, improvement in sales to the United States.

TRADE WITH CANADA

Statistics of India's trade with Canada from April to September show large increases both in imports and exports. Imports rose from Rs.3,168,951 in 1938 to Rs.5,310,586. Exports to the Canadian market, which are traditionally larger than imports, showed a similar rise from Rs.8,483,559 to Rs.14,948,621. A large part of the increase of Rs.2,141,635 in imports was due to improved sales of motor cars and commercial vehicles by Canadian manufacturers. The expansion in India's exports to the Canadian market was equally divided between the trade in tea and in jute gunny cloth, the two principal items involved in Canada's imports from this country.

WHEAT AND FLOUR TRADE OF NORTHERN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Belfast, September 30, 1939.—Based on figures covering the past four years, which show an average annual importation of 52,897 tons, a domestic production of approximately 80,000 tons, and a small export trade of some 2,500 tons per annum, Northern Ireland's annual consumption of flour is estimated to be slightly in excess of 130,000 tons.

In the same period the average annual importation of wheat amounted to 131,841 tons, domestic production to 5,809 tons, and exports to 15,968 tons, from which the total home consumption is placed at slightly over 121,000 tons.

DOMESTIC PRODUCTION OF WHEAT

Practically all the wheat grown in Northern Ireland is used for home consumption. The following table shows the area sown, estimated production, and average yield per acre of wheat in Northern Ireland for the years 1936 to 1938:—

Year	Area Acres	Estimated Production Cwt.	Av. Yield per Acre Cwt.
1936	6,871	146,186	21.3
1937	4,352	88,117	20.2
1938	5,521	114,274	20.7
1939	2,928	*	*

* Figures not available.

The varieties of wheat most commonly grown in Northern Ireland are Queen Wilhelmina and Squarehead's Master.

CLIMATIC CONDITIONS

The climate of Northern Ireland is marked by prevailing southwesterly winds, plentiful rainfall at all times of the year, and frequent high winds in the winter months. The maximum temperature in the summer months does not often reach 80° F., and during the winter months air temperatures below the freezing point are the exception rather than the rule. In the summer months there is a difference of from 4° to 5° F. on the average between maximum temperatures on the coast and inland, the coast having the lower maxima; in winter there is a difference of some 3° to 4° F. on the average between the minimum temperatures on the coast and inland, the coast temperatures in this case being the milder. The distribution of rainfall is fairly uniform, both as regards time and place, and approximates an average of 3 inches per month. Snow falls infrequently, and there is seldom any hail. Ground frosts occur most frequently during the winter and early spring, attaining a maximum in March. There are occasional thunderstorms, almost always in the summer months.

DOMESTIC FLOUR MILLING

There are in Northern Ireland at the present time five mills engaged in the production of wheat flour. Four of these mills are located in Belfast, the principal port of Northern Ireland, and one, of lesser importance, in Ballymena, an inland town some twenty-eight miles from Belfast.

Official figures regarding the output of the milling industry are not available for any period later than the year 1935, and while some expansion has undoubtedly taken place during the past three years, the following table taken from the Northern Ireland Census of Production, 1935, is included as an indication of the extent of the home industry:—

Quantity and Value of Wheat Products Produced in Northern Ireland

Year	Wheat Flour and Meal		Bran, Pollard, Sharps	
	Cwt.	£	Cwt.	£
1924	1,220,000	.....	480,000	.....
1930	969,000	638,000	396,000	145,000
1933	990,000	404,000	434,000	128,000
1934	1,342,000	510,000	594,000	183,000
1935	1,576,000	634,000	690,000	234,000

It is estimated that a little over 50 per cent of the home production consists of blended wheat flours for the bakery trade, the remainder being shop flours. A small proportion of pure Manitoban wheat flour is milled locally.

Northern Ireland's small exports of wheat flour and wheat meal are con- signed almost entirely to Great Britain, the figures for the past four years being as follows:—

Exports of Wheat Flour

	Cwt.	£
1935	53,271	22,444
1936	71,864	35,959
1937	49,593	34,806
1938	23,274	38,776

DOMESTIC BAKING AND ALLIED TRADES

Since 1935 two new biscuit factories have been established in Belfast, bringing the number of such factories in the province up to four, with a com- bined capital of approximately £300,000. The greater part of the output is absorbed by the home market, but the export figures for the past four years show successive increases, the figures being as follows:—1935, 866 cwts. (£2,814); 1936, 1,163 cwts. (£3,491); 1937, 6,778 cwts. (£23,385); 1938, 18,780 cwts. (£61,615).

With regard to the bakery trade, the 1935 census of production shows that there were in Northern Ireland some fifty firms (employing over ten persons each) engaged in the manufacture of bread, scones, cakes, etc., the output for that year, with comparative figures for the year 1930 in parentheses, being as follows:—bread, 43,052,000 4-pound loaves valued at £1,343,000 (47,553,000 4-pound loaves valued at £1,718,000); cakes, pastry, scones, etc., £823,000 (£1,050,000).

The consumption of bread per head of population in 1935 was estimated to be 136 pounds, while the average price of the 4-pound loaf was 8³/₄d. in 1930, 7¹/₂d. in 1935, and 9d. in 1938.

A feature of the baking industry during recent years has been the increasing proportion of milder flours used, consequent on the more general adoption of the "short process" of baking. The former process, in which strong flour was required for the sponge, required about twelve hours for "working," whereas the "short" method takes only about three hours and requires less strong flour.

IMPORT TRADE IN WHEAT

Imports of wheat into Northern Ireland for the past four years were as follows:—

	Cwt.	£
1935	2,266,700	678,967
1936	2,666,789	965,580
1937	2,692,956	1,382,722
1938	2,920,865	1,072,215

Details of imports by countries of origin are not available. According to the trade, however, sources of supply in order of importance during the past year were:—Australia, United States (Pacific coast), Europe (Roumania, Bul- garia, France), Canada, and Argentina. So far as millable wheat is concerned, Canada ranked third as a supplier, a feature of the trade during the past two years having been the large increase in the importation of lower-grade European wheats for feeding purposes. Formerly Northern Ireland's chief source of supply, Canada, has in recent years lost place to Australia and the United States owing to the wide disparity between prices of the Canadian product and those of wheat from the other two countries.

Two large grain importing firms in Belfast handle almost the entire wheat business in Northern Ireland, excluding that of the chief flour-milling firm, who import their own requirements in cargo or part cargo lots.

IMPORT TRADE IN FLOUR

Northern Ireland's imports of wheat flour from Great Britain and other countries during the past four years were as follows:—

	Great Britain		Other Countries		Total	
	Cwt.	£	Cwt.	£	Cwt.	£
1935..	*	*	*	*	1,114,957	484,497
1936..	799,522	399,761	252,277	133,554	1,051,799	533,315
1937..	797,336	558,135	267,438	187,837	1,064,774	745,972
1938..	803,888	482,333	196,424	117,701	1,000,312	600,034

* Not separately classified

It will be noted from the foregoing figures that the annual importation remains fairly constant at approximately 1,000,000 cwts., of which Great Britain supplies approximately 80 per cent. While no detailed information is available regarding "other countries," Canada may still be regarded as the chief source of supply apart from Great Britain. Occasional small lots of French flour are also imported for special purposes, but this trade is irregular and of little importance. Since the imposition of an import duty on foreign flours in 1932, business with the United States, formerly considerable, has dwindled to negligible proportions.

The volume of Canada's flour trade with Northern Ireland has decreased substantially during recent years, the main contributory causes having been: (a) the widening spread in price between Canadian and home-milled blended flours; (b) the recent establishment in Belfast of a large new flour mill, with the consequent expansion in domestic production; and (c) the more general use of the "short" process of baking, requiring a smaller proportion of strong flour. Trade with Canada is entirely in bakers' flour, the demand for shop flours being supplied by the home and cross-channel mills.

So far as Northern Ireland is concerned, the flour is purchased by the individual bakeries and not through any central agency. The home mills are, of course, in direct touch with the trade; a number of cross-channel mills are represented locally by agents working on commission; others have distributing arrangements with flour-importing firms. The trade in Canadian flour is almost entirely carried on through the larger importing firms, who in most cases have buying connections with the Canadian mills.

GOVERNMENT POLICIES IN RELATION TO WHEAT AND FLOUR

The provisions of the Wheat Act, which was introduced by the Imperial Government in 1932 to encourage the production of wheat in the United Kingdom, apply also to Northern Ireland. The Act guarantees a standard price of 10s. for every hundredweight of home-grown millable wheat sold, the difference between the actual market price of wheat and the standard price being made up by deficiency payments from a Wheat Fund administered by the Wheat Commission. Into the fund are paid the proceeds of quota payments made by millers in respect of every hundredweight of flour milled in or imported into the United Kingdom. The area under wheat in Northern Ireland is small and represents approximately 1·7 per cent of the area under corn crops, but under the stimulus of the subsidy it has increased from 3,260 acres in 1932 to 9,067 acres in 1935. Since that year, however, it has decreased to 5,521 acres in 1938 and 2,928 acres in 1939. Between the years 1932 and 1937 Northern Ireland growers were paid a total amount of £87,043.

Tariff and customs regulations in Northern Ireland are those of the United Kingdom. Imports of foreign wheat from all countries enter duty free. Foreign flour is dutiable at the rate of 10 per cent ad valorem, Empire flour being admitted duty-free subject to the usual conditions attaching to imperial preference.

WARTIME CONDITIONS

The foregoing deals with the Northern Ireland wheat and flour trades under normal trading conditions. Following the outbreak of war, however, under an order which came into force on September 4, 1939, the Board of Trade assumed control of all flour mills in the United Kingdom, and only straight-run flour may be produced except by special authority, while millers must deliver flour against existing contracts at the price fixed by law. The importation of wheat is controlled by the Wheat Commission in London, represented in Northern Ireland by a committee composed of members of the local trade known as the Port Area Grain Committee, while the importation of flour is also government controlled and handled locally by the Northern Ireland area Flour Committee. Under this control some restriction of trade was regarded as inevitable at the outset, but smoother working and more normal conditions should be attained within a short time.

WHEAT AND FLOUR SITUATION IN JAPAN

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, Japan, November 23, 1939.—Wheat is by no means the principal cereal used in Japan, being far exceeded in demand by rice, the staple food of the country. The average rice crop is about 315,000,000 bushels, while the yield of wheat is approximately 47,000,000 bushels. Although wheat is of secondary importance, both consumption and production have been increasing, and active steps have been taken to increase production in an effort to attain self-sufficiency. The local production of wheat has not been sufficient to meet the local demand and at the same time cater to export markets. Consequently there has been a regular import trade in this product, particularly of a type suitable for milling and blending with the flour produced from locally grown wheat in order to produce a flour for which there is an export demand. Imported wheat has also been used for the production of flour for the manufacture of noodles, macaroni and the better classes of bread and biscuits. Under present conditions there is a limited import trade in wheat for any purpose.

WHEAT

PRODUCTION

Japanese production of wheat in 1938 was 43,498,942 bushels as compared with 49,580,408 bushels in 1937; the latter, however, was a record crop. The area under wheat in 1938 was 1,776,497 acres as against 1,775,255 acres in 1937. Wheat is grown in several districts in Japan, the largest production being in Hokkaido. No statistics are available of the acreage or crops of wheat in the various sections of Japan. About one hundred varieties are grown in the country, largely because of varying climatic conditions; in the northern part of Hokkaido the average temperature is about 42° F., while the average in the southern extremity of Japan proper is 68°. The type of wheat grown in any district is that which is considered to be most suitable for the particular area concerned.

A Wheat Improvement Commission has been established for the purpose of improving the quality and yield of wheat. This commission selects more

than thirty varieties each year as being suitable for culture. Three government stations—Tokoku, Chugoku and Kyushu Wheat Experimental Farms—under the direction of the Ministry of Agriculture, are devoting their attention to improvements in wheat and wheat fields in the districts under their jurisdiction. There is in addition the Central Government Agricultural Experimental Station and also the Agricultural Experimental Stations under the supervision of various prefectures.

TYPES OF WHEAT PRODUCED

The wheat grown in Japan is largely of the "soft" variety, particularly in the central and southern portions of the country, while harder wheat is produced in Hokkaido and the higher sections of Tochigi, Saitama and other northern prefectures. As has been stated above the type of wheat grown for each district has been selected after technical investigation. In Hokkaido, where snowfalls sometimes occur during the growing season, a type of wheat described as "snow-proof" is grown, while in the Kyushu district, where there are frequent rains, another type called "rain-proof" wheat is produced.

EFFORTS TO INCREASE PRODUCTION

Efforts are being made to increase the domestic production of wheat. The crop in normal years, as has been mentioned above, averages about 47,000,000 bushels. Since the outbreak of hostilities in China the importation of wheat has been much restricted, while the export of wheat flour to China and Manchukuo has increased. As a result of this the Japanese millers have been forced to use locally grown wheat almost exclusively for the production of flour for export. With the fear of a possible shortage of wheat for local consumption and export purposes, renewed efforts to increase the production have been made, and the plan calls for a production during 1939 of 15·8 per cent above normal, or a total of about 54,500,000 bushels.

It is hoped by the authorities that an increased production of nearly 2,500,000 bushels will result from increased yields per acre, and by increasing the area under wheat by nearly 200,000 acres it is expected that production will be increased by a further 4,960,000 bushels. The general plan of increased production calls for a crop in 1940 of some 64,500,000 bushels. It is, of course, impossible to predict the success or otherwise of the projected production increase, although some experts believe that the 1939 production will be above the objective, due to generally favourable growing conditions.

SELLING METHODS

There is no hard and fast system for the distribution of locally grown wheat. In most districts there are co-operative systems or voluntary pools through which the farmers can sell their wheat. At the same time the farmers can sell direct to merchants without prejudicing their positions in the pools. It is understood that the pools are becoming stronger, and more wheat is now being handled through them than formerly.

IMPORTS

As has been indicated above, Japan has been an importer of wheat for many years past, although there has been a steady decline recently, due largely to increased domestic production. Imports in 1938 amounted to 145,782,912 pounds, as against 411,061,464 pounds in 1937 and 682,582,428 pounds in 1936. It must be borne in mind that the imports in 1938 were well below normal owing to the exchange control measures which were in force and the attendant difficulty of purchasing foreign exchange even for commodities which are

classed as essentials. The principal countries of origin of the 1938 imports were Australia, China, and Argentina, Australia having supplied approximately 50 per cent of the total. In previous years Canada has been a prominent shipper, but supplied none in 1938. Price is an important factor, particularly under existing conditions when every effort is being made to conserve foreign exchange. Canadian prices are higher than Australian, which accounts for Canada's failure to share in the 1938 imports.

The imports of wheat are largely of the "hard" variety, used for blending with locally produced "soft" wheat and for macaroni and similar production. Purchases from China are principally "soft" wheat to supplement local production. The Canadian wheat which has been imported in the past has been largely No. 3 Northern, while that from the United States has been Western White Walla. Wheat from Australia has been "fair average quality."

Purchases of wheat from overseas countries are usually made by large companies with branches or agents in the principal wheat-producing countries. The terms under which purchases are made vary, of course, but usually letters of credit are established. The wheat is for use by millers, some of whom pay the importers a commission on the purchase price and others buy from merchant houses in Japan on a delivered basis. Eight Japanese flour mills recently formed a foreign wheat import association with the object of obtaining permits for the importation of wheat for the production of flour for export and to relieve the shortage of supplies in Japan.

WHEAT FLOUR

Japanese production of wheat flour in 1938 amounted to 41,971,000 bags of 49 pounds each as compared with 34,519,000 bags in 1937, an increase of 7,452,000 bags or 21·6 per cent. The imports of wheat flour during these years totalled 18,952 bags and 412,705 bags, respectively. Exports of flour in 1938 totalled 628,170,708 pounds, or 12,848,946 bags, as compared with 354,164,712 pounds, or 7,227,851 bags, in 1937. Thus Japan is a producer, a limited importer and an exporter of flour.

DOMESTIC PRODUCTION

In view of the fact that rice is predominantly the staple diet of the Japanese people, development of the flour-milling industry lagged far behind that in other countries, and it was not until about the middle of the Meiji Era (1868 to 1912) that motive power was introduced into the industry. Prior to that time the limited requirements were met by the production of domestic mills using water power and by imports from abroad. In 1896 the Nippon Flour Milling Company, using motive power, was established in Tokyo, their plant having a capacity of 200 barrels per day. Following the Russo-Japanese war the flour-milling industry developed rapidly, and at one time there were some 30 firms engaged in the industry with a daily capacity of 60,000 barrels. The number of millers has decreased owing to mergers, failures and similar circumstances, but the capacity remains about the same. There are now 7 companies in Japan proper, each with a daily output in excess of 500 barrels. The Nisshin Flour Milling Company, which is the largest in Japan, owns 15 mills in Japan proper, with a daily capacity of 21,100 barrels. The Nippon Flour Milling Company, the oldest firm engaged in the industry, owns 13 mills, including 3 in Formosa, their total daily capacity being 18,000 barrels. The capacity of the Showa Industry Company is 5,500 barrels of flour; that of the Nitto Flour Milling Company, established in 1930, is 3,500 barrels;

that of the Masuda Flour Milling Company is 3,000 barrels, and of the Kitoku and Osaka Flour Milling Companies, located in Osaka, 1,400 barrels and 900 barrels, respectively.

The Japanese flour milling industry may be said to be represented by the Nisshin and Nippon Companies, whose products are regarded as standard on the market. Recent developments in the industry include investments by various companies in Korea, Manchuria and China. The Nisshin interests have established subsidiary organizations in Korea and Manchuria whose total capacity is estimated at 5,500 barrels. The Nippon Flour Milling Company has subsidiary companies in Manchuria, and in addition there are 9 mills in that country which work with the Japanese firm on a commission basis; the production of the Nippon subsidiaries is believed to be 5,500 barrels, and that of the mills operating on commission is said to be 7,500 barrels. The Nitto Flour Milling Company have a subsidiary company at Hsinking, Manchuria, with capacity of 2,000 barrels; they also have an arrangement with several mills in Manchuria, with a total capacity of 7,500 barrels, on a commission basis.

The Nichiman (Japan-Manchukuo) Flour Milling Company was established in 1934 for the purpose of providing a foundation for the development of the flour milling industry in Manchuria. The capacity of this organization is 10,550 barrels.

LOCATION OF MILLS

In the primary stages of the development of the flour milling industry the mills were located near the growing areas, as nearly all of the wheat was produced locally. However, as the industry grew and the export trade in flour developed it was necessary to import foreign wheat to fill the demand; consequently it became desirable to have the flour mills situated at points from which the export and import business could be handled to advantage. Speaking generally, the mills which have been established with transportation facilities as the major consideration are equipped with more modern machinery and have a larger capacity than those which are located near the farming districts.

Of the 15 flour mills owned by the Nisshin interests, 5 are in places where water transport facilities are available, and these 5 have an aggregate capacity of 14,000 barrels, or 66 per cent of the total of all the mills. Similarly, of the 13 mills operated by the Nippon interests, 8 are located where transportation facilities exist, these 8 producing 16,000 barrels a day or 85 per cent of the total.

DISTRIBUTION OF FLOUR

The domestic production of wheat flour, as has been stated above, amounted to nearly 42,000,000 bags in 1938. This is, of course, used for various purposes; one authority estimates that the greatest use for flour is in the manufacture of noodles, which is a popular food in Japan. Other uses include the making of Japanese-style bread, cakes, biscuits, etc. Although no specific information is available on the subject, it is believed that only a relatively small proportion of the flour is used for foreign-style bread. The average Japanese household does not use this kind of bread, and in the typical Japanese restaurants it is not served unless requested. The Japanese-style bread is in the form of small squares or other shapes and is made largely from flour with sugar and other ingredients. The Japanese use little butter, and therefore the bread is made sweet to render it more palatable.

There is a limited number of large bakery companies in Japan, but in the absence of statistical information it may be said that the large percentage of Japanese-style bread and cakes are produced by small bakeries. This is particularly true, of course, in the country districts.

The distribution of locally produced flour is handled principally through two channels: (1) direct to the large bakers and biscuit makers and (2) through agents who sell to the very numerous small bakers. In the Tokyo area the agency system has been in existence for some time, whereas in the Kobe-Osaka area it has been the practice for wholesale merchants to buy from various mills for resale. Recently, however, there has been a growing tendency among flour millers to insist that the merchants handle only one kind of flour and thus occupy the position of agents.

IMPORTS

Japan is only a relatively small importer of flour even under normal conditions, but at present the imports for domestic use have been reduced to a very low level owing to the exchange control regulations. Imports in 1938 amounted to only 18,952 bags as compared with 412,705 bags in 1937 and 1,012,997 bags in 1936. The 1938 imports came largely from Manchuria, which supplied 16,759 bags, while the United States is credited with 1,182 bags, and Canada's share was only 273 bags. The Dominion formerly shipped substantial quantities to Japan, particularly clear flour for the manufacture of a popular flavouring essence, but the trade control measures have stopped this, temporarily at least. It is believed that when conditions return to normal this trade will be resumed, since Canadian flour has a high percentage of protein, which is the real base of these Japanese flavouring essences. Imported flour is also used for special purposes such as the making of certain high-grade biscuits, etc. There is no ground for any optimism respecting the immediate future of the imported flour trade for domestic consumption.

EXPORTS

Japan's export trade in flour is largely with Manchuria, Kwantung Leased Territory, and China. Out of the total exports during 1938 of 12,848,946 bags, 5,078,082 bags went to China, 4,533,786 bags to Kwantung Leased Territory and 3,236,212 bags to Manchuria. In previous years there was some trade with the Philippine Islands, Netherlands India, Straits Settlements and other countries, but in 1938 the exports to these areas were reduced to negligible proportions.

PROSPECTS FOR CANADIAN SALES

No optimism can be expressed regarding the prospects for Canadian trade in wheat or in wheat flour during the currency of hostilities in the Orient with the attendant restrictions on the purchase of foreign exchange. Actually the recent prices of Canadian wheat are below those of locally grown wheat; nevertheless, exchange permits have not been granted, as it is evidently the opinion of the authorities that the unnecessary purchase of foreign exchange can be prevented in this way. Future prospects depend on many factors, including the suitability of local wheat for the production of a grade of flour which will be acceptable to the export market. Price is another important consideration, since, when conditions return to normal and exchange and trade control measures are less severe, the merchants in Japan and elsewhere will wish to purchase on the basis of price and quality. Certainly the immediate

future is far from bright and, given normal crops, Japan is not likely to be an importer of wheat for some time except for such small lots as may be required for re-export.

Similar comments apply to wheat flour. The Canadian product was highly satisfactory for the special purposes for which it was formerly imported. In the meantime substitutes are being used which, while not so suitable as flour, are purchased within the "yen bloc," thus obviating the purchase of foreign exchange. It is believed that the trade in wheat flour will be resumed at some time in the future but not immediately.

ASSISTANCE TO WHEAT GROWERS

With respect to the assistance which is being given by the Government to encourage agricultural production, an amount of 1,170,000 yen has been appropriated for payment during 1939 to assist in increasing wheat production. No specific details as to how this amount will be expended are available, but an ordinance of the Ministry of Agriculture and Forestry provides that assistance may be granted "not exceeding 0.70 yen per koku of wheat," a koku equalling 4.96 bushels.

An indication of the encouragement given to the wheat and wheat flour producers is to be found in the import tariff of Japan. Import duties were first imposed on these commodities as from January 1, 1899, when the rates of duty were 0.153 yen per 100 kin (132 pounds) on wheat and 0.465 yen per 100 kin on wheat flour. These rates have been changed from time to time, the last alteration becoming effective on June 16, 1932, when the present rates of 2.5 yen per 100 kin on wheat and of 4.3 yen per 100 kin on wheat flour became operative. It should be noted, however, that the duty otherwise payable on imported wheat is not collected on imports into Japan for milling and subsequent re-export.

SITUATION DURING FIRST NINE MONTHS OF 1939

An official statement has been issued by the Ministry of Agriculture and Forestry respecting the final results of the cereal crops for 1939. This statement shows that the yield of barley was 38,509,782 bushels and of naked barley 33,379,292 bushels, while the wheat crop amounted to 60,080,767 bushels. These crops show increases of 22.7 per cent, 31.6 per cent and 35 per cent, respectively, as compared with 1938. As compared with the average of the past five years, the 1939 yield of barley showed an increase of 15.4 per cent, naked barley 13.3 per cent, and wheat 28.8 per cent.

PRICE MOVEMENT

Notwithstanding the fact that the wheat crop was a record one and also that there was a considerable increase in the production of other cereals, the prices of barley, naked barley and wheat maintained a strong tone and showed an upward tendency, due largely to the reluctance of producers to sell their cereals.

According to the *Diamond*, a tri-monthly commercial publication, the highest price quoted during September for domestic Improved No. 3 wheat was 13.15 yen per 100 kin (132 pounds) as against 10.40 yen for the corresponding month of 1938. The highest c.i.f. price quoted during September, 1939, for Canadian Northern No. 3 wheat was 7.64 yen per 100 kin as compared with 9.50 yen for September, 1938, while the lowest quotation for the Canadian wheat was 5.86 yen (5.25 yen for September, 1938). No quotations of Australian or United States wheat are available.

Quotations for home-grown barley and naked barley for September, 1939, were 9.50 yen and 11.70 yen, respectively, as against 8 yen and 9.20 yen, respectively for the corresponding month of 1938.

IMPORTS OF WHEAT

The foreign trade and exchange of Japan continued to be rigidly controlled, with the result that despite the low prices of Canadian wheat there have been practically no imports from Canada during the first nine months of 1939. The following table shows the imports of wheat from the principal suppliers; from this it will be seen that the imports of 859,964 bushels valued at 3,156,676 yen during the first nine months of 1939 showed a decrease of 59.5 per cent in quantity and of 62.7 per cent in value as compared with the corresponding period of 1938:—

	Jan.-Sept., 1939		Jan.-Sept., 1938	
	Bushels	Yen	Bushels	Yen
Total	859,964	3,156,676	2,127,068	8,469,400
China	553,854	2,308,229	2,121	7,243
Australia	91,850	229,625	1,122,517	4,007,650
Canada	31	99	.....	.....
Argentina . . . . .	.....	.....	55,240	245,431
Others	214,229	618,723	947,190	4,209,076

No information is available as to the sources of supply under the heading "others," but it is believed that most, if not all, of this wheat came from Iraq.

WHEAT FLOUR

The *Oriental Economist* reports that the wholesale prices of wheat flour quoted in Tokyo for the standard grade of flour manufactured by the Nisshin and Nippon Flour Milling Companies were from 5.52 yen to 5.54 yen per sack of 49 pounds during September, 1939, as against 4.96 yen to 4.97 yen for the corresponding month of last year.

According to a survey by the Ministry of Commerce and Industry, the output of wheat flour by the principal flour mills in Japan during the first six months of 1939 was 17,058,000 sacks as compared with 20,390,000 sacks for the first half of 1938. No later figures are available, but it is probable that the production for the first nine months of 1939 would be about 26,000,000 or 27,000,000 sacks on the basis of 31,059,000 sacks during the first nine months of 1938.

FOREIGN TRADE IN WHEAT FLOUR

Imports of wheat flour into Japan during the nine months ended September 30, 1939, amounted to 33,434 sacks valued at 98,974 yen as against 18,662 sacks with a value of 102,679 yen during the corresponding period of 1938. Although the quantity imported during the first nine months of this year showed considerable expansion as compared to the 1938 period, yet it was still much below average. Almost all the imports this year arrived in August and September. No official information is available as to the countries of origin, but daily statements issued of imports into and exports from Yokohama show that during these two months some 32,500 sacks of flour arrived from Canada. This flour was all for re-export.

The exports of wheat flour from Japan during the first nine months of 1939 amounted to 6,499,726 sacks valued at 37,133,409 yen as against 9,614,754 sacks to a value of 44,955,723 yen for the corresponding period of 1938, a decrease of 32.4 per cent in quantity and of 17.4 per cent in value. As will be seen from the following table of exports, shipments to China decreased very substantially, while sales to Kwantung Leased Territory and Manchukuo expanded.

Japanese Exports of Wheat Flour

	Jan.-Sept., 1939		Jan.-Sept., 1938	
	Sacks	Yen	Sacks	Yen
Total	6,499,726	37,133,409	9,614,754	44,955,723
Kwantung Leased Territory	3,211,509	18,534,335	2,936,806	14,077,890
Manchukuo	2,467,557	14,436,262	2,282,961	11,027,146
China	820,557	4,162,280	4,394,947	19,850,548
Philippine Islands	103	532	.....	.....

CHOSEN (KOREA)

In Chosen a plan is in force for increased wheat production covering the 12-year period from 1931. This scheme calls for a production in 1943 of 4,060,000 koku or 20,149,374 bushels. However, the situation has altered somewhat since the plan was introduced, and a more rapid increase of production is hoped for. Exports of wheat (including flour) from Chosen in 1938 amounted to 1,091,200 bushels as compared with 481,120 bushels in 1937. It is reported that two mills of the Chosen Flour Milling Company, affiliated with the Nisshin Flour Mills in Japan, have decided to increase their flour production, the present combined capacity being 1,500 barrels per day.

TAIWAN (FORMOSA)

The climatic and general conditions in Taiwan have been regarded as generally unsuited to wheat growing. However, during the East Asia Agriculture and Forestry Conference which was held last year, it was decided that Taiwan should endeavour to attain self-sufficiency in wheat in accordance with the wheat policy of Japan. The production in Taiwan in 1938 was approximately 9,800 koku or 48,636 bushels, an increase of 130 per cent as against 466,240 bushels in 1937.

MANCHURIA

The production of wheat in Manchuria in 1938 was 32,094,074 bushels as compared with 33,941,280 bushels in 1937. There is a five-year plan in force in Manchuria for increased agricultural and other production, but the 1938 wheat crop was below that expected under the scheme, due to unfavourable weather conditions.

The estimated wheat production of Manchuria for 1939 is placed at about 44,927,000 bushels, an increase of 40 per cent over the 1938 crop. This prospective increase is attributed to larger acreage and favourable growing conditions.

About 90 per cent of the wheat production of Manchuria is in North Manchuria, and most of the flour mills are in that area. Consequently there is an ample flour supply there. Normally South Manchuria would also obtain a large portion of her flour requirements from North Manchuria, but the freight rates are high and South Manchuria depends to a large extent on imported wheat flour. In 1938 the imports of wheat and wheat flour, expressed as bushels of wheat, into Manchuria and Kwantung Leased Territory amounted to 11,571,680 bushels as compared with 3,581,120 bushels in 1937. During 1938 the exports of wheat, including wheat flour, totalled 441,440 bushels as against 466,240 bushels in 1937.

Wheat is by no means the principal agricultural crop of Manchuria, being exceeded both in quantity and value of production by soya beans, kaoliang, millet, and maize. The opinion has been expressed in some quarters that it would be better from a general economic viewpoint for Manchuria to encourage the production of such products as soya beans rather than wheat. This would depend, of course, on the world demand and prices of the various commodities.

IMPORT TRADE OF FINLAND IN 1938

Items of Interest to Canada

RICHARD GREW, CANADIAN TRADE COMMISSIONER

(One Finnish mark equals approximately 2·2 cents Canadian; one metric ton equals 2,204·6 pounds.)

Oslo, November 28, 1939.—A report on the foreign trade of Finland in 1938, published in *Commercial Intelligence Journal* No. 1854 (August 12, 1939), gave general information on the trade of Finland, such as the total value of imports and exports, imports and exports by commodity groups, and the distribution of trade by countries. The detailed trade statistics for the calendar year 1938 have recently been issued. These show imports of the individual articles by countries of origin.

The total imports originating in Canada, as shown by these statistics, increased from 74,541,286 Finnish marks in 1937 to 82,637,185 Finnish marks in 1938, and Canada's share of the total Finnish imports increased from 0·80 per cent in 1937 to 0·96 per cent in 1938.

According to the Finnish trade returns for 1938, the following imports originated in Canada, the 1937 figures being shown within parentheses:—

Salted salmon, 50·5 tons (19·7); rye, 410·3 tons (2,876·0); wheat, 28,891·4 tons (23,669·5); wheat flour, 1,841·1 tons (1,576·9); maize, 204·9 tons (nil); bread products, 9·6 tons (nil); canned shell-fish, 23·4 tons (4·8); whisky, 2·7 tons (2·7); patent leather, 5·9 tons (10·1); undressed furs, 0·5 ton (0·5); needles, 48 kilograms (63); unmanufactured and scrap aluminium, 6·0 tons (nil); aluminium bars, 9·9 tons (nil); special electro-technical apparatus, 2·0 tons (nil); passenger automobiles, 5 cars (nil); asbestos, asbestos powder and mica, 49·1 tons (54·0); rubber engine-packing material, 4·4 tons (nil); rubber belting, 7·2 tons (nil); automobile tires, 90·2 tons (42·3); and penholders and crayon and pencil holders, 43 kilograms (126).

Of the items included in the detailed Finnish statistics, the following have been selected as being of interest to Canadian exporters, the 1937 import figures being shown within parentheses.

FOODSTUFFS AND AGRICULTURAL PRODUCTS

Live Animals.—The value of the imports of live animals, other than horses, decreased considerably from 5,812,757 Finnish marks in 1937 to 2,253,373 Finnish marks in 1938. Sweden is credited with 1,123,790 marks (2,873,465) and Norway with 797,100 marks (1,464,188). No mention is made of Canada which in 1937 shipped for 125,000 marks.

Casings.—These imports increased to 815·5 tons (729·7). Over half came from Argentina which supplied 444·7 tons (455·4), while Brazil shipped 121·9 tons (69·7), the United States 46·1 tons (44·9), Sweden 44·3 tons (38·9), the Netherlands 24·3 tons (8·7), Uruguay 20·1 tons (26·1), France 17·8 tons (3·6), Australia 16·9 tons (nil), and the United Kingdom 16·2 tons (11·7).

Salted Salmon was imported to an increased total of 88·8 tons (53·3), the bulk of which came from Canada which shipped 50·5 tons (19·7), while the United States is credited with 22·4 tons (18·5) and Sweden with 12·8 tons (13·1).

Rye imports decreased considerably to 26,019·6 tons (71,594·2), of which 10,612·3 tons (8,852·2) originated in Russia, 10,021·6 tons (2,597·5) in Esthonia, 2,922·7 tons (nil) in Lithuania, 2,040·5 tons (1,757·5) in the United States, and 410·3 tons (2,876·0) in Canada.

Wheat.—These imports also declined to 49,605·5 tons (60,013·4), the principal supplier being Canada with 28,891·4 tons (23,669·5). The United States is credited with 9,044·8 tons (8,007·0), Russia with 6,675·2 tons (735·5), Argentina with 4,401·3 tons (19,628·0), the Netherlands with 299·3 tons (52·7), and Turkey with 150·0 tons (nil).

Wheat Flour imports increased, totalling 29,919·6 tons (20,853·2), the bulk of which, 25,071·5 tons (11,970·3), came from the United Kingdom. The United States supplied 1,811·8 tons (1,035·9), Canada 1,841·1 tons (1,576·9), and Hungary 1,065·5 tons (6,145·3).

Maize was imported to a total of 75,323.0 tons (82,002.9), of which 38,086.4 tons (67,712.5) originated in Argentina, 25,312.7 tons (13,463.3) in Yugoslavia, 10,746.1 tons (nil) in the United States, 455.7 tons (nil) in Angola, 204.9 tons (nil) in Canada, and 157.5 tons (nil) in Hungary.

Bread Products, other than biscuits, were imported to the extent of 81.6 tons (58.8), of which Sweden supplied 28.7 tons (22.5), the United States 21.2 tons (16.9), the United Kingdom 14.3 tons (nil), and Canada 9.6 tons (nil).

Fresh Apples.—These imports increased to 6,881.0 tons (5,311.4). The most important supplier was the United States, which is credited with 5,205.2 tons (3,836.6), while 1,127.7 tons (897.8) originated in Australia, 238.0 tons (428.1) in Estonia, 199.8 tons (39.3) in New Zealand, 79.2 tons (17.5) in Chile, and 21.9 tons (86.0) in South Africa.

Dried Apples were imported to the extent of 345.0 tons (326.1), practically all of which, 343.9 tons (316.0), came from the United States.

Canned Shell-fish.—These imports increased to 47.8 tons (23.8), the principal supplier being Canada with 23.4 tons (4.8), while 7.8 tons (4.5) came from Sweden and 6.5 tons (6.5) from the United Kingdom.

Whisky.—The imports of whisky in barrels aggregated 73.9 tons (73.1), the bulk of which, 71.1 tons (70.4), originated in the United Kingdom. Canada is credited with 2.7 tons (2.7).

RAW MATERIALS AND WHOLLY OR PARTLY MANUFACTURED GOODS

Used Bags were imported to the extent of 1,130.9 tons (1,266.7), of which the United States supplied 530.9 tons (522.2) and the United Kingdom 453.6 tons (646.4).

Woollen Machine Felt.—These imports decreased to 215.1 tons (288.4), Sweden supplying 71.8 tons (93.4), the United Kingdom 51.7 tons (69.5), Germany 35.9 tons (45.6), Austria 23.0 tons (42.3), Switzerland 13.7 tons (12.7), France 13.4 tons (13.6), and the United States 1.1 ton (1.0). No mention is made of Canada which in 1938 shipped 1.8 ton.

Patent Leather.—The imports of patent leather decreased to 25.2 tons (36.5), of which the United States contributed 15.0 tons (19.4), Canada 5.9 tons (10.1), and Belgium 3.6 tons (5.3).

Undressed Furs.—These imports increased to 20.3 tons (10.6), of which Argentina is credited with 7.5 tons (nil), the United Kingdom with 6.6 tons (4.2), Lithuania with 2.0 tons (nil), Poland and Danzig with 1.5 ton (2.7), and Canada with 0.5 ton (0.5).

Dressed Furs, other than beaver, chinchilla, sea otter, ermine, fitch, marten, mink, fox, sable, swan, muskrat, Crimean and other sheep skins, were imported to the extent of 18.6 tons (21.3). Germany contributed 8.8 tons (9.4), the United Kingdom 3.6 tons (5.1), and France 3.1 tons (1.3). No mention is made of Canada which supplied 0.7 ton in 1937.

Needles were imported to an aggregate of 8,669 kilograms (11,550), most of which came from Germany which supplied 6,883 kilograms (9,868). The United Kingdom is credited with 1,394 kilograms (1,265), the United States with 225 kilograms (239), and Canada with 48 kilograms (63).

Unmanufactured and Scrap Aluminium.—These imports totalled 62.0 tons (60.2), of which the United Kingdom supplied 14.3 tons (17.4), Germany 9.2 tons (5.2), Sweden 7.5 tons (19.3), Switzerland 6.1 tons (7.1), and Canada 6.0 tons (nil).

Unmanufactured and Scrap Copper.—These imports increased to 388.8 tons (328.9), Chile contributing 211.5 tons (166.7), the United States 77.9 tons (67.0), and Sweden 73.2 tons (48.1).

Aluminium Bars were imported to the extent of 54.3 tons (47.8), of which Germany supplied 36.3 tons (24.8) and Canada 9.9 tons (nil).

Copper Bars.—These imports increased to 5,416.3 tons (3,513.7). The principal suppliers were the United States and Sweden which are credited with 3,813.5 tons (2,491.9) and 1,514.2 tons (963.5), respectively.

Ploughs, other than steam and motor ploughs, were imported to an aggregate of 200.2 tons (255.2), of which 102.8 tons (120.7) came from the United States and 87.5 tons (77.7) from Sweden. No mention is made of Canada which in 1937 supplied 25.3 tons.

Mowing Machines.—These imports totalled 1,222.4 tons (1,185.4), of which Sweden contributed 831.8 tons (930.1), the United States 359.1 tons (195.9), and Germany 29.5 tons (56.5).

Special Electro-technical Apparatus.—These imports increased to 200.9 tons (169.8), of which Germany is credited with 93.8 tons (75.7), Sweden with 42.7 tons (36.4), the United States with 28.8 tons (32.5), the Netherlands with 10.3 tons (6.8), Switzerland with 8.2 tons (5.8), the United Kingdom with 7.6 tons (4.9), and Canada with 2.0 tons (nil).

Passenger Automobiles.—The number of passenger automobiles imported during 1938 increased to 4,769 (4,099), having a total value of 167,477,243 Finnish marks (140,246,715). Of this number 1,670 (1,620) came from the United States, 962 (816) from Sweden, 893 (664) from Germany, 846 (767) from Denmark, 183 (63) from the United Kingdom, 149 (156) from France, 27 (nil) from Italy, 26 (11) from Czecho-Slovakia and 5 (nil) from Canada.

Asbestos, Asbestos Powder and Mica.—These imports increased to 295.5 tons (258.8), Russia contributing 168.7 tons (119.0), Canada 49.1 tons (54.0), the United Kingdom 28.3 tons (13.4), and South Africa 18.1 tons (nil).

Rubber Engine-Packing Material was imported to the extent of 226.8 tons (216.8). The principal suppliers were the United States with 65.4 tons (65.9), the United Kingdom with 40.5 tons (29.6), Dutch East India with 35.7 tons (40.2), Belgium with 23.8 tons (15.4), and Germany with 21.1 tons (24.4). Canada is credited with 4.4 tons (nil).

Rubber Belting was imported to a total of 42.6 tons (45.5), of which the United States supplied 21.9 tons (27.8), the United Kingdom 9.0 tons (12.4), and Canada 7.2 tons (nil).

Automobile Tires.—These imports totalled 836.1 tons (843.9), of which the United Kingdom contributed 269.1 tons (302.1), the United States 226.7 tons (267.5), Belgium 115.7 tons (120.8), Canada 90.2 tons (42.3), Germany 47.9 tons (39.3), France 33.7 tons (37.8), and Italy 25.3 tons (24.3).

Penholders, and Crayon and Pencil Holders were imported to the extent of 9,268 kilograms (12,044), of which 4,427 kilograms (4,070) came from Germany, 2,774 kilograms (6,103) from Japan, 923 kilograms (556) from the United States, 461 kilograms (436) from the United Kingdom, and 43 kilograms (126) from Canada.

PERU AS A MARKET FOR ALFALFA SEED

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

(One kilo equals 2.2 pounds; one quintal equals 101.44 pounds; one metric ton equals 2,204 pounds; one hectare equals 2.47 acres; at current official exchange rates one Peruvian sol equals U.S.\$0.19.)

Lima, November 8, 1939.—For a considerable period alfalfa has been an important feeding stuff for live stock in Peru. With the development of the cattle and sheep industries, notably in the past half century, the cultivation of alfalfa has become widespread, not only in the highlands but also in the valleys of the coastal area. Peru is self-sufficient in alfalfa and so imports of seed have not been necessary; on the contrary, in addition to the domestic trade for this commodity, some export is carried out annually.

PRODUCTION AND CULTIVATION

Officials of the Peruvian Department of Agriculture (as statistics are not available), estimate that some 25,000 hectares (approximately 62,000 acres) are at present under cultivation for alfalfa and that the average yield is about 10 metric tons of green forage and 3.8 metric tons of hay per hectare. In some parts of the country, notably in the region about Pacasmayo in the northern part of Peru, as many as seven crops per year are obtained. The Department of Agriculture, taking as an average four crops per year, estimate the annual production of alfalfa at 1,000,000 metric tons of green forage and 380,000 metric tons of hay. Figures of the production of alfalfa seed are not available and estimates both by the trade and by officials are at great variance. Provided conditions are not too dissimilar to those which Prof. L. E. Kirk, Dominion Agrostologist, Ottawa, had in mind in his paper on "Alfalfa Breeding for Seed Production" given at the World Grain Exhibition and Conference in Regina in 1933, a conservative estimate would be upwards of about 2,000 metric tons annually. However, by no means do all growers collect for re-sowing all the seed produced by the plants.

Alfalfa seed is usually sown in June or July (the winter months in Peru) in the lower levels and on the coast. A crop of alfalfa is generally obtained with two waterings only, the first after the seed has sprouted and the alfalfa

is three or four inches in height, and the second shortly before cutting. This process is repeated with each successive crop during the year until finally new seeding takes place.

In a number of parts of the country Peruvian agriculture in many ways is still far from being on a scientific basis. Even in the more advanced communities the problems of water shortage and careless cultivation create many difficulties. Practically all of the farming areas along the coast depend upon irrigation for water, since there is practically no rainfall, and during many crops years the water from the Cordilleras is insufficient to supply a steady flow in the rivers and streams which empty into the ocean and along the banks of which agricultural efforts have been put forward from time immemorial. In consequence, the capacity of alfalfa in Peru to develop with only two waterings with each crop, and the fair return from the plantings with little effort involved, had made its development important among agricultural crops.

This ease of production is partly accountable for the little care taken by producers in cleaning seeds and removing weed seeds of a similar appearance. This lack of care has given rise to complaints on the part of dealers in alfalfa seed both in the Peruvian and export markets. Efforts are continually being made by the Department of Agriculture to combat this difficulty, and by grading and other inspection methods a better standard both for the domestic and the export product is being sought.

Despite the educative efforts of the Peruvian Department of Agriculture in connection with crop rotation and the growth of alfalfa for rejuvenation of the land, this field crop is used only as a feeding stuff, except by the occasional farmer who is more advanced than his fellows in knowledge of the necessity for resting soils from the year-after-year sowings of the same crops. For some years farmers whose lands were well placed for such a crop concentrated on sugar cane. However, the difficulties in marketing sugar, which have been world-wide since shortly after the last Great War, have turned more and more farmers to cotton, wheat and rice, with particularly widespread development of the first-named commodity. By the use of guano and other fertilizers the soil has been preserved for continuous use and the efficacy of allowing parts of it to rest or be sowed to alfalfa yearly has not yet been appreciated. The attitude of cotton planters is similar to that of wheat farmers in Western Canada during the World War and for precisely the same reasons.

TYPES AND PRICES

Two main types of alfalfa seed are obtained in Peru. These are known as "Alta Sierra" and "San Pedrana." The former, which is a hardy variety and generally grown in the middle Cordilleras, is considered in the trade to be superior to the latter, which is grown in the valleys of the lower ranges of mountains and along the coast. The "San Pedrana" variety is produced in greater abundance, being widely cultivated in such main agricultural districts of the north as Pacasmayo and Chiclayo both for consumption in those districts and for shipment to other districts within the republic or to export markets.

Recent prices quoted on the Lima market for alfalfa seed were 60 soles per quintal (101.44 pounds) for the "Alta Sierra" variety and 40 soles per quintal for the "San Pedrana" type.

MARKETING

Producers of alfalfa in Peru are generally both consumers and sellers of their green forage, hay and seeds. While some supply the requirements of their neighbours, the general method of marketing is through seed and grain merchants in the agricultural centres. These merchants in turn usually sell to individual farmers or to merchant firms in Lima, Arequipa and the other

larger cities in the republic. These firms sell both for domestic use and for export, mainly to Chile. As the domestic production up to the present has met the demand, it has not been necessary to import either the fodder or seed from abroad. In fact there has usually been a small surplus available for export. Statistics of exports for the past four years are as follows:—

	1935		1936		1937		1938	
	Gross Kilos	Soles	Gross Kilos	Soles	Gross Kilos	Soles	Gross Kilos	Soles
Chile	229,739	160,354	105,445	60,822	67,967	39,530	90,319	63,640
Bolivia	8,942	7,262	12,209	10,496	21,365	19,711	....	....
Venezuela	100	100	....	....	....	....	....	....
Colombia . . . . .	....	....	....	....	480	120	960	774
Guatemala . . . . .	....	....	....	....	239	210	....	....
Costa Rica . . . . .	....	....	....	....	92	60	....	....
Total	238,781	167,716	117,654	71,318	90,143	59,631	91,279	64,414

In 1935 the quantity exported was unusually large as compared with shipments for some years prior to and since that year. On the average the exports of alfalfa seed range between 90 and 120 metric tons.

POSSIBILITIES FOR SALE OF CANADIAN GRIMM ALFALFA SEED

Lucerne or Grimm alfalfa seed is unknown to Peruvian growers and dealers. In view of the methods in vogue in the growing of alfalfa, it is quite unlikely that interest could be aroused in the Canadian Grimm varieties without a clear demonstration of the superiority of Grimm alfalfa seed over the domestic varieties under Peruvian conditions. Nevertheless, the experiments made with Grimm alfalfa seed under Canadian prairie conditions, notably by Professor Kirk, and the development of such types as Grimm Sask. No. 666 with its 50 per cent greater yield than that of ordinary types and its great resistance to cold, have been followed with much interest by officials of the Peruvian Department of Agriculture, since such a seed is considered necessary for the areas in the middle and higher Cordilleras. Consequently, an opportunity is being given for making trials of Canadian Grimm alfalfa seed under varying Peruvian growing conditions, both at government experimental farms and at those of leading producers alike on the coastal and mountain areas.

RICE SUPPLY IN JAPAN

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, November 25, 1939.—According to a survey conducted recently by the Department of Agriculture and Forestry, the stock of rice on hand as at November 1, 1939, amounted to 20,144,306 bushels as against 42,126,763 bushels for the corresponding date of last year, thus showing a reduction of 21,982,457 bushels or 52·2 per cent. The stocks of rice according to the sources of origin as at November 1, 1939, were:—Japanese rice, 18,682,242 bushels; Korean rice, 379,876 bushels; Formosan rice, 1,043,624 bushels; foreign rice, 38,564 bushels. On the basis of the above-mentioned stocks, together with the estimated crop for the present year, the normal demand would exceed the supply. However, the authorities believe that this situation can be relieved by economizing in domestic consumption by the control of supplies, and by importation. It is estimated that the local use of rice can be reduced about 24,000,000 bushels by restricting the consumption for the manufacture of "sake" and similar commodities.

It is of interest to observe that the official market price of rice, approved by the Ministry of Agriculture and Forestry, was increased from 38 yen per koku (4·96 bushels) to 43 yen per koku, effective from November 6, 1939.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to December 2, 1939:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to Dec. 2, 1939 Quantity Per Cent	
Cattle (700 lbs. or more)Head	225,000	3 to 1½ cts. per lb.	170,305	75.6
Cattle (less than 200 lbs.) . .Head	100,000	2½ to 1½ cts. per lb.	68,614	68.6 Quota filled Sept. 16, 1939 0.2
Whole milkGals.	3,000,000	6½ to 3¼ cts. per gal.	6,624	—
CreamGals.	1,500,000	56% ₁₀ to 28¾ ₁₀ cts. per gal.	821	....
Filleted fish, fresh or frozen—cod, haddock, hake, pollock, cusk, and rosefishLbs.	15,000,000	2½ to 1½ cts. per lb.	9,427,250	62.85
Seed potatoesBus.	1,500,000 beginning Sept. 15, 1939	75 to 60 cts. per 100 lbs. Dec. 1 to end of Feb.; 37½ cts. Mar. 1 to Nov. 30	619,221	41.28
White or Irish potatoes, other than seed potatoesBus.	1,000,000 beginning Sept. 15, 1939	75 to 60 cts. per 100 lbs. Dec. 1 to end of Feb.; 37½ cts. Mar. 1 to Nov. 30	201,330	20.13

Total imports of cattle weighing 700 pounds or more, other than dairy cattle, during the period January 1 to December 2, 1939, amounted to 226,745 head. Of this number 56,440 head or 25 per cent came from countries other than Canada. The 226,745 head imported included 218,031 head dutiable at the reduced rate under the trade agreement and 8,714 head dutiable at the full tariff rate.

During the period October 1 to December 2, 1939, there were 33,382 head imported from Canada, which represented 82.73 per cent of the tariff rate quota for the fourth quarter of the calendar year. Imports for this period from countries other than Canada totalled 10,469 head, which included 6,663 head dutiable at the reduced rate and 3,806 head dutiable at the full tariff rate.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IRON AND STEEL IMPORTS

With reference to the notice in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), page 1109, respecting the status of iron and steel imports into the United Kingdom, the Canadian Trade Commissioner in London reports that the Import Duties (Exemption) (No. 10) Order, 1939, provides for the addition to the free list of the United Kingdom tariff, with effect from December 5, of the following categories of iron and steel products: Pig iron not already included in the exemptions schedule; ingots; blooms; billets and slabs; girders, beams, joists, and pillars, whether fabricated or not; angles, shapes, and sections, whether fabricated or not; colliery arches and pit props;

bars and rods; plates and sheets, hoop and strip not already included in the exemption schedule; railway and tramway rails; wire (including barbed wire), and wire cable and rope; upholstery and mattress wire springs; screws for wood, whether coated or plated or not.

All the foregoing have been duty-free when entitled to Imperial preference, the effect of the new order being to remove the duties applicable to these goods when the product of non-Empire countries.

The Board of Trade at the same time announced that the principal iron and steel products, including those exempted from duty in the above order, and the principal raw materials used in the manufacture of iron and steel, including alloy steel, will very shortly be placed on the list of goods requiring import licences, such licences to be issued on the recommendation of the Ministry of Supply (Iron and Steel Control).

TIMBER IMPORTS UNDER LICENCE

A cablegram of December 22 from Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, states that the Board of Trade has issued an order placing certain classes of timber on the list of goods which may be imported only under licence, the object being not to restrict supplies but to enable the Timber Control to regulate purchasing and transport arrangements.

IMPORT LICENSING REGULATIONS: HARDWOOD FLOORING

The Chief Canadian Trade Commissioner in London writes that the Import Licensing Department have informed the Timber Trade Federation of the United Kingdom that they are, for the time being, prepared to consider applications for licences to import hardwood floorings of a type which at the present time require a licence from that Department before importation.

These floorings must be covered by contracts in writing entered into before September 16, 1939, or by licences issued by the Timber Controller in accordance with the terms of Control Order No. 4.

Any application submitted to the Import Licensing Department should be accompanied by the contract in the case of goods ordered before September 16, 1939, or by the licence from the Timber Controller where such a licence has been issued.

A summary of Timber Control (No. 4) Order was published in *Commercial Intelligence Journal* No. 1867, November 11, 1939, page 850.

IMPORT LICENSING REGULATIONS: EGGS

Mr. G. R. Paterson, Acting Animal Products Trade Commissioner in London, writes that at the request of the Ministry of Food the Import Licensing Department, Board of Trade, have made the following announcement, adding to the list of goods which may not be imported, except under licence, the following commodities:—

- Eggs in shell except eggs for hatching, of domestic fowl other than domestic ducks, geese and turkeys;
- Frozen or preserved liquid whole eggs, yolks and whites;
- Glycerinated yolks;
- Spray, flake and dried whole eggs, yolks and albumen.

The order will take effect on and from December 11, 1939, but any goods covered by the order which are proved to the satisfaction of the Customs authorities to have been despatched to the United Kingdom before the order

came into force will not require a licence. Licences will be issued by the Import Licensing Department of the Board of Trade, but only on the recommendation of the Ministry of Food.

The Ministry wish to emphasize that by this order it is in no way intended to restrict supplies of eggs. They wish, however, to control supplies while ensuring, so far as possible, that they pass through the ordinary trade channels.

It is accordingly intended that open licences relating to the particular commodity will be granted to firms to import the produce of any country except Australia and South Africa, the supplies from which are the subject of direct purchases by the Ministry. For China separate licences for each consignment will be required.

On the receipt of a recommendation from the Ministry the Import Licensing Department will (except for China) issue an open licence valid for three months to each firm. Each licence will be for an unspecified quantity and value but will be limited to particular commodities.

The procedure set out in this notice has been agreed between the Ministry of Food and the egg trade generally. It may have to be modified later, but it will be operated in its present form until further notice.

Australia

AMENDED LICENSING CONDITIONS FOR GOODS IN CATEGORIES A, B, C

With reference to notices in *Commercial Intelligence Journal* No. 1871 (December 9, page 1110), No. 1872 (December 16, page 1162), No. 1873 (December 23, page 1210), concerning administration of the import licensing system adopted in Australia on December 1, 1939, Mr. W. L. Brennan, Australian Customs Representative in New York, reported that the following instructions amending conditions relating to the issue of licences for goods in categories A, B and C, had been received by cablegram on December 21 from the Comptroller-General of Customs, Canberra:—

Licences may be issued for goods for which orders were placed and actually accepted before 1st December up to the value one-quarter of base year's imports of applicants without debits against allocations.

Goods in excess of one-quarter of value of the base year's imports may also be admitted under licence, but any such excess is to be debited against applicant's future and existing allocations permissible for imports.

In cases where orders have been placed by applicants who had no or small importations from non-sterling countries licences may be issued on basis order placed and accepted before 1st December.

In each case licences should be conditioned to require importations before 30th April, 1940.

The foregoing conditions are to apply to goods on order under letters of credit established prior to 1st December.

Goods despatched to Australia before 1st December are exempt.

The position regarding cotton and artificial silk piece-goods on order for delivery after 30th April is receiving further consideration, and it is probable period later than 30th April will be allowed in such case.

Southern Rhodesia

CHANGE IN INVOICE FORM

With reference to the notice in *Commercial Intelligence Journal* No. 1855 (August 19, 1939), page 381, concerning an additional column in the invoice form prescribed for shipments to Southern Rhodesia, Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, South Africa, reports that the Controller of Customs at Salisbury, Southern Rhodesia, has issued a notice

that as from January 1, 1940, the preferential rebates of duty will not be allowed unless the imported goods are accompanied by new certificate of origin as gazetted on June 2, 1939. While time has been given to exporters to use old forms, the Trade Commissioner wishes to draw the attention of Canadian exporters to the new form. A copy may be obtained on application to the Department of Trade and Commerce, Ottawa.

Turkey

CANADIAN GOODS AGAIN RESTRICTED

With reference to the article in *Commercial Intelligence Journal* No. 1857 (September 2, 1939), page 473, Canada and Malta were added by Decree No. 2/11737 effective August 19 to the list of countries, imports from which into Turkey are limited and subject to compensation requirements. The effect of the measure is to subject Turco-Canadian commercial exchange to provisions of Article IV instead of Article I (dealing with countries to which free exchange is granted) of Decree No. 2/7005 of July 15, 1937. Trade is thus placed on a compensation basis except that exports of Turkish tobacco must be paid for in free exchange and Canadian exports to Turkey are limited to those mentioned in an annex to the decree of July 15, 1937.

The annex comprises goods which are mostly of a class not produced in Canada. The entire list is: jute sacks and coarse packing materials (canvas); copra, coconuts, palm nuts; ginger, cloves, cinnamon, and other spices; coconut fibre and yarns; jute, sisal and manila; hides; tea; cocoa beans; crude india-rubber; tin in ingots, bars and sheets; raffia; cotton yarns; stallions; Tombac (Persian tobacco); quinine and bark thereof; match splints of wood; quebracho; merino wool; tapioca; mother-of-pearl; dates; pineapples; gum arabic; incense; gum lac; Tamar indien and leaves thereof; vegetables, flowers and other seeds; chirin; ebony; mahogany; rosewood, tamarind and other woods; teak; teeth and bones of animals; vanilla; green trees, plants and grafts; seeds; books, reviews, magazines and catalogues; bills of lading, cheques, coupons, etc.; insulin; cryolite; mechanical parts for machines and apparatus of iron, steel and other base metals (complete or not with other materials); cork; horses, mares and mules; marine motors.

Cyprus

IMPORT LICENSING SYSTEM

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports that the *Cyprus Gazette* of December 9 announced a new import licensing system applicable to foreign countries, Canada and Newfoundland.

The notification stated that as from December 9 importation of certain commodities not consigned from, grown, produced or manufactured in the British Empire (excluding Canada and Newfoundland) are either absolutely prohibited or subjected to import licence. The prohibited goods include canned fruits, jams, jellies, perfumery, silk stockings, and some others. Goods prohibited except when licence to import is obtained comprise cheese, fish, flour, leather, preserved milk, motor vehicles and their parts, tires, tubes, paints, plywood, timber, wheat, and some others. The import restriction measure does not apply to goods shipped prior to December 9.

Palestine

IMPORTS SUBJECT TO LICENCE

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports that as from December 11 imports into Palestine comprising the bulk of merchandise figuring in the ordinary commerce are prohibited except under licence. The order does not apply to goods forwarded prior to December 11.

Iraq

CERTIFICATES OF ORIGIN

With reference to the article in *Commercial Intelligence Journal* No. 1847 (June 24, 1939), page 1029, Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports that Iraq Customs Notification No. 18 of 1939 amends Customs Notification No. 8 of 1939 which required certificates of origin for all goods. Certificates of origin are now required only for cotton, silk, and artificial silk piece-goods imported into Iraq.

Malta

IMPORT PROHIBITIONS

The Canadian Trade Commissioner in Milan, whose territory includes Malta, reports that import regulations adopted in Malta on November 17 prohibit importation of certain classes of goods from all countries except the United Kingdom, concerning which details will be published in a later issue of the *Commercial Intelligence Journal*. The Trade Commissioner has cabled that motor vehicles and wireless apparatus are among the goods under this prohibition.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Uruguay

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, December 7, 1939.—Official permits are required in respect of all goods imported into Uruguay. Shipments should not be effected before the covering permit has been issued. Import permits are of two classes, i.e. covering goods entitled to the official rate of exchange and goods that are paid for at the open market rate of exchange. The latter rate is approximately 40 per cent above the official rate. The preferential rate is only applicable to merchandise from countries having an exchange quota, except for certain classes of goods considered absolute necessities, such as seed potatoes and crude oil. Canada does not have an exchange quota at present. Thus import permits are only available at the preferential rate for goods of Canadian origin under special circumstances, as in the case of seed potatoes. Newsprint from Canada does not enjoy the preferential rate.

Colombia

Mr. H. W. Brighton, Canadian Trade Commissioner at Panama, cabled on December 26 that the Colombia Exchange Control Board has resolved to hold up remittance permits in cover of imports. Fuller information as to the decision of the Board is being forwarded from Panama and will be published when received.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 26, 1939

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, December 26, 1939, and for the week ending Monday, December 18, 1939, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 18	Nominal Quotations in Montreal Week ending Dec. 26	Official Bank Rate
Belgium	Belga	.1001	\$.1846	\$.1848	2½
Bulgaria	Lev	.0072	.....	.....	—
Denmark	Krone	.2680	.2142	.2142	5½
Finland	Markka	.0252	.0201	.0201	4
France	Franc	.0392	.0248	.0248	2
Great Britain	Pound	4.8666	.....	.....	.....
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0079	.0079	6
Holland	Guilder	.4020	.5902	.5892	3
Hungary	Pengo	.1749	.2942	.2942	—
	Unofficial		.1954	.1954	4
Italy	Lira	.0526	.0560	.0559	4½
Yugoslavia	Dinar	.0176	.0252	.0251	5
Norway	Krone	.2680	.2521	.2520	4½
Portugal	Escudo	.0442	.0401	.0402	4-4½
Roumania	Leu	.0060	.0079	.0078	3½
Spain	Peseta	.1930	.1104	.1104	5
Sweden	Krona	.2680	.2642	.2642	2½
Switzerland	Franc	.1930	.2491	.2489	1½
United States	Dollar	1.0000	.....	.....	.....
	Buying		1.1000	1.1000	—
	Selling		1.1100	1.1100	1
Mexico	Peso	.4985	.1894	.1882	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.0248	.0248	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.0248	.0248	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245	.3304	.3304	3½
	Free		.2520	.2509	—
Brazil	Milreis (Paper)	.1196	.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217	.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6325	.6325	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342	.....	.....	—
	Controlled		.7307	.7307	—
	Uncontrolled		.3992	.3975	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0844	.0846	—
Hongkong	Dollar	.....	.2727	.2733	—
India	Rupee	.3650	.3363	.3363	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.3992	.3992	—
Straits Settlements	Dollar	.5678	.5134	.5143	—
Australia	Pound	4.8666	3.5800	3.5800	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Sterling free rates at New York eased gradually from \$3.95 on December 18 to \$3.94½ at the close of the week ended December 23. During the same interval Canadian funds moved conversely, stiffening from 88¼ cents to 88½ cents. At Montreal rates were generally unchanged to fractionally higher in terms of the Canadian dollar. French francs were quoted up 1 point at 2.49 cents, while belgas added 6 points to 18.52 cents. Florins were quoted at 59.02 cents on the 18th, but subsequently dropped to 58.93 cents at the close for a net loss of 9 points. Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered at \$1.43-\$1.47 and \$1.10-\$1.11, respectively.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Fruit.....	632	Cairo, Egypt.....	Purchase and Agency.
Gallon Apples (Labelled).....	633	Glasgow, Scotland.....	Agency.
Honey.....	634	Bristol, England.....	Purchase and Agency.
Bloaters.....	635	Ciudad Trujillo, Dominican Republic.....	Purchase and Agency.
Miscellaneous—			
Neckwear (Cotton, Silk and Mixed).....	636	Port au Prince, Haiti.....	Agency.
Sewing Thread.....	637	Port au Prince, Haiti.....	Agency.
Textiles.....	638	Lima, Peru.....	Purchase or Agency.
Newsprint Paper.....	639	Tel-Aviv, Palestine.....	Agency.
Paper (Printing, Writing, Kraft, etc.).....	640	Tel-Aviv, Palestine.....	Agency.
Straw and Kraft Papers.....	641	Alexandria, Egypt.....	Purchase.
Wrapping and Packing Papers...	642	Cairo, Egypt.....	Purchase and Agency.
Paper (Sulphite, Wrapping).....	643	Ciudad Trujillo, Dominican Republic.....	Purchase and Agency.
Chromopaper and Cardboard....	644	Alexandria, Egypt.....	Purchase.
Duplex Cardboard.....	645	Alexandria, Egypt.....	Purchase.
Cement Paper Bags.....	646	Cairo, Egypt.....	Purchase and Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Belgium and Luxembourg

YVES LAMONTAGNE, Commercial Attaché, Shell Building, 60 rue Ravenstein, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Italy

- A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

- C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

- R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Netherlands

- J. A. LANGLEY, Commercial Attaché, Coolsingel 111b, Rotterdam. (Territory includes Switzerland.) *Cable address, Canadian.*

New Zealand

- W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

- RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

- H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 17 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

- Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London: H. A. SCOTT, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

- London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

- London: ACTING ANIMAL PRODUCTS TRADE COMMISSIONER, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilcon.*

- Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

- Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

- Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- D. S. COLE, British Empire Building, Rockefeller Center, New York City. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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